Canada Revenue Agency | Agence du revenu du Canada

Canada

Departmental Plan

2017-18

The Honourable Diane Lebouthillier, P.C., M.P.
Minister of National Revenue

For copyright information, please visit the CRA website at www.cra-arc.gc.ca/cpyrght-eng.html
ISSN 2371-7629
Rv1-29E-PDF

Table of Contents

A message from the Minister - 5

A Message from the Commissioner - 7

Plans at a glance - 9

Raison d'être, mandate and role - 13

- Raison d'être - - - - - - - - - - - - - - - - - - -

A message from the Minister

Our 2017-18 Departmental Plan provides parliamentarians and Canadians with information on what we do and the results we are trying to achieve during the upcoming year. To improve reporting to Canadians, we are introducing a new, simplified report to replace the Report on Plans and Priorities.

The title of the report has been changed to reflect its purpose: to communicate our annual performance goals and the financial and human resources forecast to deliver those results. The report has also been restructured to tell a clearer, more straightforward and balanced story of the actual results we are trying to achieve, while continuing to provide transparency on how taxpayers' dollars will be spent. We describe our programs and services for Canadians, our priorities for 2017-18, and how our work will fulfill our departmental mandate commitments and the government's priorities.

I am honoured to lead the Canada Revenue Agency (CRA) as the Minister of National Revenue and am proud of all we have accomplished since my appointment in November 2015. I have been working closely with CRA officials to deliver on our government's priorities, including improving service to Canadians, modernizing the rules for charities, and strengthening efforts to tackle tax evasion. This Departmental Plan describes how we intend to continue to make these commitments a reality.

Canadians deserve high-quality services, delivered in a way that makes them feel respected and valued. This is why the Government of Canada is dedicated to improving all its service offerings to ensure tax fairness for the middle class and making the CRA an agency that is more client-focused. More Canadians than ever before are filing their returns electronically and, as the CRA continues to expand and enhance its digital services, I am confident the number of Canadians filing electronically will continue to grow. The CRA will therefore continue to support Canadians who want to file their tax and benefit returns without using paper forms.

The government recognizes the importance of small businesses in creating jobs and supporting the economy. Planned initiatives include a dedicated telephone support line for tax service providers, giving them greater access to CRA information to the benefit of the millions of clients they serve. The Serving You Better consultations that were held at the end of 2016 highlight the government's commitment to take into consideration the points of view of stakeholders and adapt government services to their needs. These consultations are a forum for small and medium businesses and professional accountants to share valuable insights that the CRA can use to make its programs and services more streamlined and client-focused. The CRA will continue its efforts to improve the structure, design, language and format of written correspondence for businesses. To help support these businesses, I am committed to making the CRA a fairer and more service-oriented organization.

The Government of Canada provides many credits specifically designed to benefit lower-income Canadians. However, each year, a number of Canadians do not file a tax return, causing them to miss out on potential tax benefits. Given the importance of these benefits, especially for families with children, we will continue to help Canadians understand what benefits they may be eligible to

Diane Lebouthillier

"Canada is taking an active role in ensuring a fairer tax system, where tax cheats face consequences for their actions. This government has promised to pursue tax cheats and, with the help of our international partners and concrete action at home, I can say that we are closing in on them."

—Diane Lebouthillier

receive, and help them receive the benefits they are eligible for. To this end, the CRA will increase engagement and support for community organizations and volunteers to make the Community Volunteer Income Tax Program available to taxpayers who qualify. The CRA will also continue to reach out to Indigenous people to ensure they are aware of, and apply for, the benefits to which they are entitled. The CRA proudly supports the program by providing local coordinators, training, tax software, and support to assist volunteers in the preparation of simple, straightforward returns.

It is important that charities be allowed to bring their vast experience to the formulation of public policy and the continuing well-being of Canadians. I have called on our partners in the charitable sector to participate in the CRA's consultation process to further clarify the rules about registered charities' political activities. I look forward to the results, which will inform the CRA's efforts to provide updated policy guidance and other educational resources on this subject.

The vast majority of Canadians pay their fair share of taxes and do so on time, but a small minority hide their income and assets in order to get out of paying what they owe. This has to change in order to ensure a tax system that is fair to all Canadians. Investments detailed in Budget 2016 demonstrate the Government of Canada's commitment to cracking down on tax cheats and those who choose to participate in tax schemes, including those who hide assets abroad and fail to declare offshore income, and to improving the CRA's ability to collect outstanding tax debts. The CRA and I are determined to find those who fail to declare their income and pay their fair share of taxes, and collect what is owed.

With this plan, the CRA is well placed to support and deliver on the government's priorities over the next three years. As the Minister of National Revenue, I am very proud to present the 2017-18 Departmental Plan for the Canada Revenue Agency.

The Honourable Diane Lebouthillier, P.C., M.P.

Minister of National Revenue

A message from the Commissioner

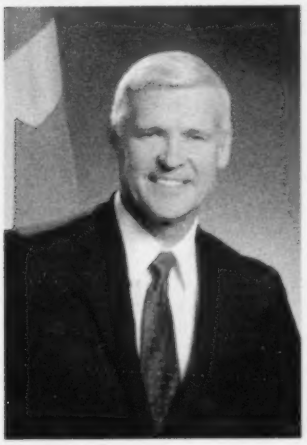
The Canada Revenue Agency's (CRA) 2017-18 Departmental Plan is my first as the new Commissioner of the CRA. It comes at a time when the CRA must find measurable ways to contribute to many of the government's key objectives, while also increasing our responsiveness to the needs of Canadians in an age driven by technology and social media.

I want to ensure that the CRA is a world-class tax and benefits administration and that we achieve excellence in service, fairness, compliance, and integrity. Two factors that are key to our success are our ongoing active engagement with stakeholders, and our commitment to maintaining the integrity of the Agency and its employees. With its strategic investments in human and technical resources, I believe the CRA is well-positioned to fulfil its core responsibilities on behalf of Canadians. This Plan touches on many of the important initiatives the Agency will pursue over the next three years as CRA employees strive to implement Government objectives and realize the Agency's strategic priorities.

To meet the changing service expectations of Canadians in a digital environment, the CRA needs to be innovative and agile. We must be able to measure our progress and performance, make adjustments as necessary, and demonstrate how we have achieved tangible results. We must ensure that we communicate clearly with Canadians regarding their tax obligations and our administrative practices and procedures. In this regard, we will be implementing an action plan in response to the 2016 Fall Report of the Office of the Auditor General on the CRA's administration of income tax objections. We also need to ensure our internal operations are coherent and efficient. To this end, the CRA is working on developing greater internal communication and co-ordination between branches by sharing knowledge, best practices, and innovative solutions.

Ensuring that taxpayers comply with Canada's tax laws is important for fairness and for inspiring trust and confidence in our administration, and remains a priority for the Agency. I believe this Plan clearly discusses how we will support compliance. The Government of Canada is committed to addressing tax evasion and aggressive tax avoidance, and recent significant investments are allowing us to recruit additional auditors and specialists, increase our verification activities, and improve the quality of our investigative work targeting non-compliance risks domestically and internationally. Of particular note is the work we are doing to combat the abusive use by Canadians of offshore tax jurisdictions to conceal their financial assets. This Plan signals that current and future investments in financial and human resources in this area will improve our analysis of relevant information and lead to the identification of more individuals and businesses engaging in abusive or illegal offshore transactions.

Bob Hamilton



"With its strategic investments in human and technical resources, I believe the CRA is well-positioned, now and in the future, to fulfil its core responsibilities and deliver results on behalf of Canadians."

—Bob Hamilton

In fulfilling the Agency's core responsibility of delivering benefits, the CRA continues to innovate and to adapt to the demands of our digital age. Readers of this Plan will learn how the CRA's sophisticated technology environment is ensuring that benefit payments are delivered to citizens efficiently and accurately. One service highlighted in this Plan is MyBenefits CRA, a mobile application for individual benefit recipients, which allows users a fast, easy, and secure way to verify upcoming benefit payments. Future improvements to this service will allow individuals to quickly update personal details, including phone number and address, sign up for direct deposit, and see the breakdown of provincial/territorial benefits.

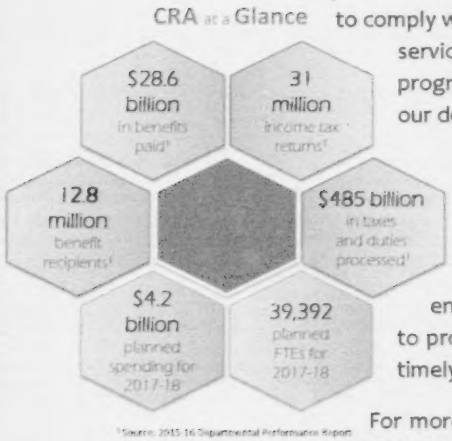
This Plan outlines how the CRA intends to deliver on its priorities. The Agency's capacity to respond adeptly to its business needs and the environment in which it operates should ensure that it will continue to meet its core responsibilities and serve Canadians well in the years to come, protecting Canada's revenue base and supporting the economic and social well-being of Canadians.

Bob Hamilton
Commissioner of the Canada Revenue Agency

Plans at a glance

The Canada Revenue Agency (CRA) administers tax, benefits, and related programs, and in this way we touch the lives of more Canadians than any other part of the Public Service of Canada.

The Canadian tax system is founded on self-assessment and voluntary compliance. For this system to function effectively, it must be, and be seen to be, fair. Taxpayers are more likely to comply with the law when they are treated fairly and have the information, advice, and services they need to meet their obligations. In designing and delivering all our programs and services, fairness and integrity are our guiding principles, informing our decisions and underscoring our conduct.


CRA at a Glance
$28.6 billion in benefits paid[1]
31 million income tax returns[1]
128 million benefit recipients[1]
$485 billion in taxes and duties processed[1]
$4.2 billion planned spending for 2017-18
39,392 planned FTEs for 2017-18

[1] Source: 2015-16 Departmental Performance Report

This plan highlights specific initiatives in support of the Government of Canada priority to further improve the services we offer. We will take more steps to make sure Canadians, especially Indigenous peoples, seniors, lower-income earners, and people with disabilities, receive their proper benefit entitlements. Through service enhancements, the CRA will increase its capacity to provide taxpayers with certainty regarding their tax obligations and to provide timely resolution of taxpayer objections.

For more information on the CRA's plans, priorities and the planned results, see the "Planned results" section of this report.

"As Minister of National Revenue, your overarching goal will be to ensure that the CRA is fairer, more helpful, and easier to use. You will lead the government's work to overhaul its service model so that people who interact with the CRA feel like valued clients, not just taxpayers."

— Minister of National Revenue Mandate Letter

Strategic Framework:

WE ARE GUIDED BY

Our strategic priorities

Service	Access to clear, accurate information and timely, convenient services makes it easier for Canadians to comply with tax laws and receive the benefits they are entitled to.
Compliance	The CRA works with those who are willing to comply, promotes compliance where needed, vigorously pursues those who try to evade their tax obligations, and offers recourse when taxpayers disagree with CRA decisions.
Integrity and security	Canada's voluntary self-assessment system is sustained in large measure by the trust Canadians have placed in the CRA to safeguard the information entrusted to it.
Innovation	Canadians expect the CRA to seek ever more effective and timely ways of interacting with clients, managing day-to-day operations, securing taxpayer information, and detecting, deterring, and acting against non-compliance.
People	CRA employees act with integrity, professionalism, and respect.

TO FULFILL

Our core responsibilities

Tax	Benefits
Canada's revenue base is protected	Support the economic and social well-being of Canadians

TO DELIVER

Results

Canadians comply with tax obligations, non-compliance is addressed, and Canadians have access to appropriate mechanisms for resolving disputes	Canadians receive their rightful benefits in a timely manner

WE CONTRIBUTE TO

Government-wide priorities

Inclusive and sustainable economic growth

Social inclusion and diversity

Open and transparent government

Ministerial priorities

Improve service to Canadians to ensure the CRA is fair, helpful, and accessible

Crack down on tax evaders and work with international partners to adopt strategies to combat tax avoidance

Work with the Minister of Finance to clarify the rules regarding political activities, in recognition of the valuable contribution registered charities make to public policy and debate

The following indicators, developed with the CRA's Board of Management, will help to assess the CRA's performance in providing Canadians with access to clear, accurate information and timely convenient services, while promoting and supporting compliance. Results will be published in the CRA's yearly Departmental Results Report. These indicators provide additional support to the CRA's overall Departmental Results Framework as described in pages 41 and 46 of the plan. The table below explains how each key indicator contributes to the CRA's overall performance story.

WE MEASURE OUR SUCCESS AGAINST

Key indicator/volumetric	Why it is important
1. Percentage of individuals who paid their taxes on time	Indicating the rate of on-time payment by taxpayers strengthens trust and confidence in the CRA and, most importantly, in the voluntary compliance system.
2. Dollar value of payments the CRA processed	Specifying the value of tax dollars collected shows the volume of tax processing and supports transparency by reporting the value of Canadian taxpayer dollars recovered by the Agency.
3. Dollar value of benefit and credit payments to recipients	Reporting the dollar value of support provided to eligible families and individuals under provincial, territorial, and federal programs, shows the volume of benefit payment processing and supports benefit program transparency.
4. Percentage of electronic filing rates for individuals; Percentage of electronic filing rates for businesses	Reporting on the percentage of electronic filing rates for individuals and businesses shows the CRA's efforts and success in directing taxpayers to electronic channels. Electronic filing allows for more taxpayer control. This type of filing it is faster, more convenient and secure, and reduces the compliance burden.
5. Processing electronic individual income tax returns within an average of two weeks; Percentage of electronic corporate income tax returns processed within 45 days	The CRA's electronic return processing time frames show the level of service provided to taxpayers who chose to file electronically. The time frames show the efficiency of electronic filing.
6. Percentage of individual taxpayers with My Account, either directly or through their tax representative; Percentage of businesses using My Business Account, either directly or through their tax representative	Reporting on the percentage of individual taxpayers and businesses using My Account or My Business Account, either directly or through their representative, shows the CRA's success in promoting innovative and modern services that are easy to access.
7. Dollar value of identified non-compliance	Identifying how much money is owed by taxpayers failing to meet their obligations promotes accountability and transparency in cases where individuals/corporations do not abide by the tax laws. This identification quantifies the CRA's work to address non-compliance and protect the revenue base.
8. Tax debt as a percentage of gross revenues	Describing the CRA's success in meeting its standards to collect payments owed to the Crown.
9. Caller accessibility	This accessibility shows the ability of individuals and businesses to access timely responses to their tax and benefit enquiries on the telephone. • Caller accessibility for tax enquiries (individuals and businesses) – individual enquiries (peak season) – individual enquiries (non-peak season) – business enquiries • Caller accessibility for benefit enquiries
10. Percentage of service complaints resolved in 30 working days	The percentage shows the aim to resolve issues quickly, help the taxpayer, and improve service. This helps make sure all the mechanisms are in place to resolve issues effectively, as well as foster co-operation with taxpayers.
11. Percentage change in appeals (closing) inventory	Managing the appeals inventory shows the CRA's commitment to providing service to Canadians, while preserving the integrity of the tax system.

Raison d'être, mandate and role

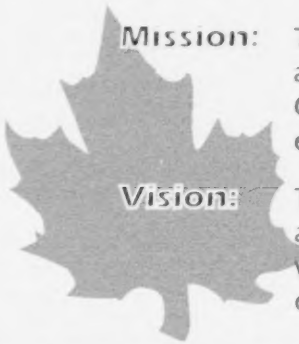
Raison d'être

The Minister of National Revenue is responsible for the Canada Revenue Agency (CRA). The CRA administers tax, benefits, and related programs for governments across Canada. In carrying out its role, the CRA contributes to the economic and social well-being of Canadians by promoting voluntary participation in our tax system. The CRA makes sure:

- Canadians comply with their tax obligations
- Canadians receive the benefits to which they are entitled
- non-compliance is addressed
- Canadians have access to appropriate mechanisms for resolving disputes

Mandate and role

In fulfilling its core responsibilities, the CRA designs and delivers its many programs and services with the needs of taxpayers and benefit recipients in mind. We aim to meet the expectations and interests of the public by providing accessible, timely, and useful information on our website, through our call centres, on social and conventional media, and in person. Meanwhile, the CRA protects the integrity and fairness of the tax system by ensuring those who have not met their tax obligations do so.



Mission: *To administer tax, benefits, and related programs, and to ensure compliance for governments across Canada, thereby contributing to the ongoing economic and social well-being of Canadians.*

Vision: *The CRA is the model for trusted tax and benefit administration, providing unparalleled service and value to its clients, and offering its employees outstanding career opportunities.*

For more general information about the CRA, see the "Supplementary information" section of this report. For more information on the CRA's organizational mandate letter commitments, see the Minister's mandate letter on the Prime Minister of Canada's website[ii].

100 years of income tax

1917, a year which marked the 50th anniversary of Confederation, was an eventful year in Canadian history. Three years into the First World War, Canadian troops demonstrated their courage and tenacity, and their military acumen, in the battle of Vimy Ridge (April 9th – 12th). Later in the year, on December 6th, Canadians at home displayed their own resolve and valour in responding to the death and destruction that overwhelmed Halifax as a result of the largest human-made explosion prior to the detonation of the first atomic bombs in 1945.

1917 was also the year taxation on income was introduced in Canada. Although some provinces had already imposed a tax on income, the Income War Tax Act of 1917 represented "a new departure in Canadian methods of raising money for federal purposes."

Originally implemented to finance Canada's war effort, income tax today – together with other taxes such as the GST/HST – supports numerous government programs and contributes to the economic and social well-being of all Canadians. Income tax helps pay for our health care, for infrastructure and regional development, assistance to farmers and other food producers, benefits to seniors and children, national defence and public safety, foreign aid, and student assistance programs.

In marking the 100th anniversary of the introduction of income tax in Canada, it is worth reflecting on the extent to which it has given Canada a secure economic and social foundation and provided Canadians with an enviable standard of living and a high quality of life.

Operating context

Advances in information technology drive and facilitate many of our service improvements. Canadians expect to interact digitally and securely with the CRA and we have reflected this expectation in our e-services modernization strategy, which will make interacting with the CRA easier.

Improved service will lead to improved compliance for those who want to comply. Unfortunately, there are still those who willfully choose to not comply with Canadian tax laws both at home and abroad. With the growth of the global economy, we are seeing an increase in non-compliance on an international scale, particularly offshore non-compliance involving low- or no-tax jurisdictions. As a matter of fairness for all Canadians (those who meet their tax obligations and all those who benefit from tax-funded programs, services, and infrastructure), we are committed to preventing all underground economic activity, tax evasion, and aggressive tax planning.

Technology serves to extend the scope of our business intelligence solutions, including predictive analytics to allow us to better respond to taxpayer needs and expectations, therefore allowing us to deliver results more efficiently. Innovative use of business intelligence enables us to accurately direct our resources to areas where non-compliance is most likely.

We continue to seek opportunities to work with international and domestic partners, including other government agencies and departments, in order to be successful in achieving our mandate, especially in the areas of client service and addressing tax avoidance.

Key risks

Risk:
Cyber-security
there is risk that cyber threats will compromise CRA services and taxpayer information

Protecting services and taxpayer information from external attacks is a priority of both the Government of Canada and the CRA. A major area of focus for the Agency is its commitment to upholding its reputation as a trusted and fair tax administrator; in other words, maintaining the public trust. A taxpayer who trusts the CRA and perceives they have been treated fairly is more likely to comply.

Risk response strategy
As the sophistication and volume of cyber threats continue to increase, the CRA remains proactive and forward-looking in its information technology (IT) security. The CRA has an IT security plan with several initiatives that will further enhance how it protects its data and technology assets and decrease exposure to this risk.

Core responsibility:
Tax, Benefits, and Internal services
CRA priority:
Integrity and security

Risk:
Pace of delivery
there is a risk that the speed and expected outcomes in implementing operational change will not respond to the expectations of Canadians and of the Government

Pace of delivery is a risk given the number and complexity of Minister and Budget 2016 commitments. If not monitored closely, implementing these organizational changes could affect the Agency's ability to meet expected outcomes.

Risk response strategy
The CRA is addressing this risk by implementing the Results and Delivery Policy to ensure its key priorities are met and communicated to Canadians. The Agency has developed a new reporting framework to drive results and bring focus to ministerial priorities and Budget 2016 commitments.

Core responsibilities:
Tax and Benefits
Mandate letter commitment:
Improve service to Canadians to ensure the CRA is fair, helpful and accessible
CRA priority:
Service

Risk:
Offshore assets and tax planning
there is a risk that taxpayers will house their assets outside of Canada so that the CRA cannot identify income earned and collect taxes owing

Tax evasion and aggressive tax avoidance by individuals and businesses are costly to government and taxpayers, and reduce the fairness and integrity of the tax system. The CRA is committed to enhance its efforts to crack down on tax evasion and combat tax avoidance.

Risk response strategy
The Agency's exposure to this risk will be reduced through Budget 2016 commitments including hiring additional auditors and specialists, developing robust business intelligence infrastructure, increasing verification activities and improving the quality of investigative work that targets criminal tax evaders.

Core responsibility:
Tax
Mandate letter commitment:
Crack down on tax evaders and work with international partners to adopt strategies to combat tax avoidance
CRA priority:
Compliance

Risk:
Tax debt
there is a risk that the growth of the tax debt will outpace the growth of revenues

The success of the CRA's work in combatting aggressive tax planning, the underground economy and tax evasion is diminished when the CRA does not collect assessed revenues. Enhancing tax collection is a core priority for the CRA and a major initiative of Budget 2016 commitments.

Risk response strategy
The Agency's risk exposure to tax debt will be reduced by improving its ability to collect outstanding tax debts through various initiatives and strategies, including commitments as part of Budget 2016. These actions will complement existing efforts to encourage earlier payment of outstanding tax liabilities and work with those who cannot pay the full amount when due.

Core responsibility:
Tax
Government-wide priority:
Inclusive and sustainable economic growth
CRA priority:
Compliance

Risk:
Service channels
there is a risk that the CRA's service channels will not evolve to meet the expectations of taxpayers, businesses and benefit recipients

The CRA places a high priority on providing information and services, meeting diverse taxpayer needs, and treating all Canadians fairly, equally and respectfully. It is a priority for the CRA to ensure that it is continually improving its service channels to help taxpayers meet their tax obligations and receive the benefits they are entitled to.

Risk response strategy
The CRA is working to improve its service model by giving timely information, making it easy to comply, responding to the expectations of Canadians, and providing fair and impartial review via several service channels including digital, telephone, written and targeted outreach.

Core responsibility:
Tax and benefits
Mandate letter commitment:
Improve service to Canadians to ensure the CRA is fair, helpful and accessible
CRA priority:
Service

The CRA proactively scans, identifies, assesses and addresses risks, both external and internal to the organization, in a constantly changing environment. It does this through its Corporate Risk Profile. The risk profile ensures that the CRA has a risk management process that helps the Agency protect the integrity and fairness of the Canadian tax system, identify efficiencies in operational processes, and achieve results. In monitoring the risks that could negatively affect its reputation, the CRA ensures that these risks are communicated to decision makers and managed effectively. Focusing on the top risks and putting plans into motion to help reduce risk exposure or to seize opportunities for innovation helps position the Agency to deliver on its strategic priorities in support of its mandate to Canadians.

This year, five key risks were identified: cyber-security, pace of delivery, offshore assets/tax planning, tax debt, and service channels. The prioritization of these five risks reflects their potential impact on the CRA's commitment to service, compliance, integrity, security, and innovation. By making sure that its risks are properly identified and managed, the CRA continues to be well positioned to deliver on its mandate and to maintain the trust and confidence of taxpayers.

Planned results

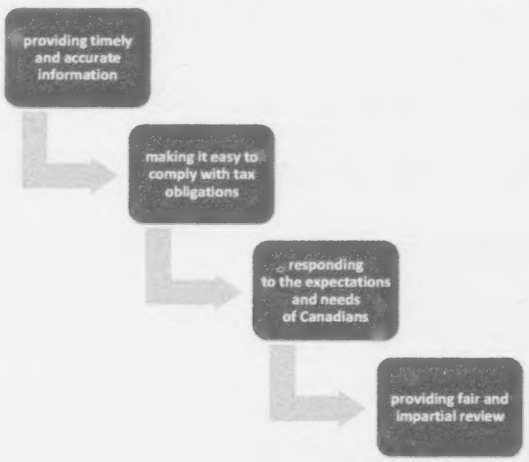
Tax

To ensure that Canada's voluntary self-assessment tax system is sustained by providing taxpayers with the support and information they need to understand and fulfill their tax obligations, and by taking compliance and enforcement action when necessary to uphold the integrity of the system, offering avenues for redress whenever taxpayers may disagree with an assessment/decision.

Service to Canadians

The Canada Revenue Agency (CRA) places a high priority on providing information and services, meeting diverse needs, and treating all Canadians fairly, equally, and respectfully. The CRA is continually improving its services to help taxpayers meet their tax obligations and receive the benefits to which they are entitled. We want people who interact with us to feel like valued clients, not just taxpayers, through interactions that are easy, helpful, fair, and consistent.

The CRA is working to improve its service model by:


providing timely and accurate information
making it easy to comply with tax obligations
responding to the expectations and needs of Canadians
providing fair and impartial review

Providing timely and accurate information

The CRA strives to provide taxpayers with the accurate and timely information they need through its website, social media, written communication, and call centres. The CRA is making it easier for individuals and businesses to access the information they need, providing them with early certainty to help manage their tax affairs with greater confidence and comply with Canada's tax laws.

In developing its service improvement initiatives, the CRA took into account Treasury Board Secretariat's Policy on Service and that policy's requirements on such matters as real time service delivery performance.

Digital communication

The CRA website is the mainstay of our communication efforts. There are more than 180 million visits to www.cra-arc.gc.ca[iii] every year to find information, forms, and answers to tax-related questions.

We are active in the government-wide Web Renewal Initiative, which will make all CRA website content available on Canada.ca[iv] in 2018. Once complete, Canadians will be able to easily find tax and benefit information.

Canadians also seek information online through videos on the CRA's branded YouTube channel and through messages from the Agency's Twitter account @CanRevAgency. Recognizing the increasing importance of social media, the CRA will develop and implement a social media strategy to prioritize digital media for Canadians who favour these forms of communication.

Telephone services

While our digital services continue to grow in popularity, some Canadians prefer to pick up the phone and call the CRA, sometimes for clarification on a technical issue or for information about a specific file. The CRA answers more than 23 million calls every year from taxpayers and benefit recipients. We will continue to improve our telephone services to meet the needs of this population.

Over the planning period, and using Budget 2016 investments, the CRA will modernize its call centres so Canadians receive a higher standard of service. The CRA will leverage new contact centre technology to provide a modern, robust, consistent call centre platform. This new technology will provide new features such as call-back options and access to enhanced tools for reporting and monitoring by 2020.

We are undertaking an initiative to further analyse the main reasons for calling the CRA, with a view to improving telephone access and service. We have developed a five-point action plan for the most frequent reasons for calling and, after the action plan is implemented, caller demand for more simple enquiries should be significantly reduced. The key to success is to answer calls quickly, without as many busy signals. As part of the plan, agents will encourage callers to use our easy-to-use self-service and digital service tools.

The CRA will run a pilot project through 2020 to offer income tax service providers, such as accountants and bookkeepers, a dedicated telephone service separate from our general lines. Income tax service providers provide general audit, accounting, and income tax services to individuals and businesses and often have complex income tax technical enquiries. This pilot will offer the technical expertise to answer specialized questions and free up our phone agents to answer general type inquiries calls more quickly.

Written correspondence

The CRA sends out approximately 130 million pieces of correspondence each year. It is important for recipients of our letters to easily understand them and know what action they need to take.

To this end, we have already made many of our notices and letters more straightforward and easier to read and, using Budget 2016 investments, will continue to improve the design, style, clarity, and tone of our written correspondence to Canadians.

Individuals, businesses, and their representatives can also access CRA's written correspondence online through the My Account, My Business Account, and Represent a Client services. If they choose this option, paper correspondence is suppressed.

Planning highlights

To provide timely information over the planning period, the CRA will:

- implement a strategy to modernize the Agency's online presence and expand the use of social media
- migrate the CRA webpages to Canada.ca[iv] by 2018
- increase the number of phone agents in 2017 to improve service
- modernize call centres by 2020, including new features to improve caller experience, and enhanced tools for reporting, monitoring client service quality, and workforce management
- pilot a dedicated telephone service for income tax service providers through 2020
- improve the design, style, clarity, and tone of 90% of CRA correspondence by 2018

Expected results

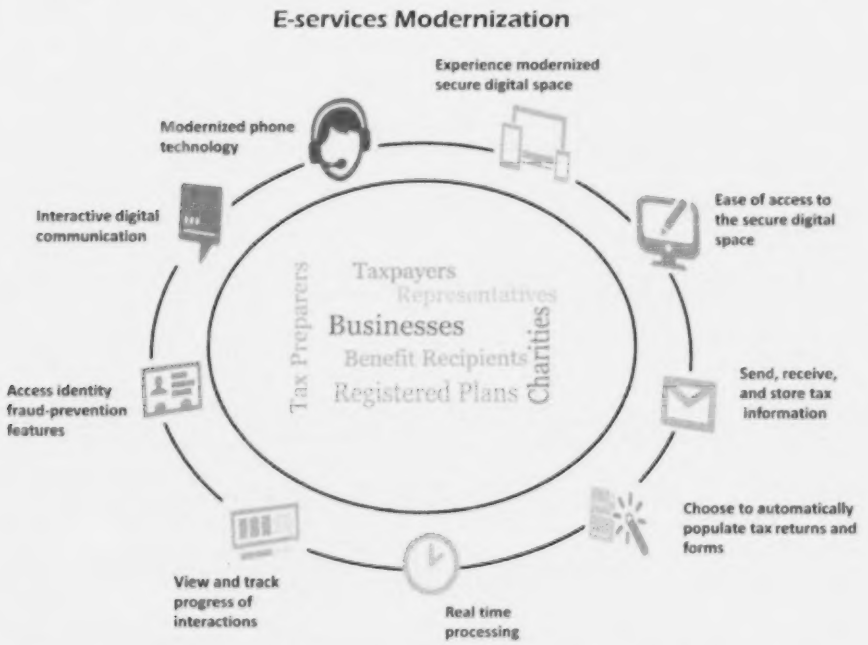
- Fewer Canadians will have to contact the CRA because messages will be clearer, more convenient to access, and easier to understand
- Canadians receive a higher standard of call centre service, with reduced wait times, fewer reasons to call, and more self-service options
- Tax professionals receive effective responses to their highly complex and specialized calls, helping them help their clients and freeing up the CRA's general phone lines for other enquiries

Making it easy to comply with tax obligations

Although the vast majority of Canadians comply voluntarily with Canada's tax laws, the CRA is working hard to improve all of our services to make it easier to comply. Our suite of services includes convenient and easy to use secure digital services, as well as personalized assistance to help Canadians meet their tax and benefit obligations.

Digital services

As Canadians do more online, increasingly, many also prefer to interact with us digitally. To respond to this, we will further enhance our digital service options to provide end-to-end, modern e-services, which are fast, easy, and secure. The CRA's plan for full digital interactions is articulated through nine service goals.

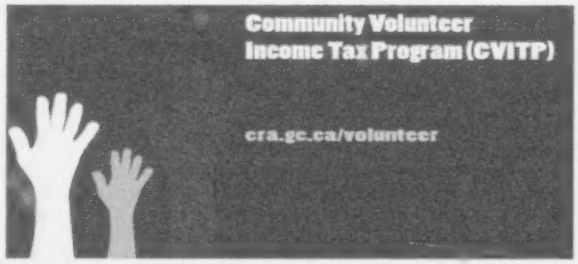


Many of our digital services are accessed through the My Account, My Business Account, and Represent a Client services. We will continue to enhance these secure services, making them easier to use, while improving the related information technology infrastructure to prepare for future program growth and advances in technology. This will allow us to provide more digital services and ensure we are better able to integrate emerging technology.

We will continue to enhance the MyCRA and My Benefits mobile apps and plan to develop a mobile app for businesses so more people can access frequently-used services and information in one convenient, mobile-friendly location.

Targeted outreach

The CRA serves all Canadians and we recognize customized service can be an effective way to offer assistance in meeting tax and benefit obligations. As part of our commitment to improve service to Canadians and facilitate compliance, we will continue to offer support to those who cannot complete their filing obligations on their own.



Our Community Volunteer Income Tax Program supports community organizations offering free clinics to help prepare income tax and benefit returns for eligible individuals. The CRA will expand and strengthen the program's services by providing enhanced training and support for community organizations, including those in Indigenous communities wanting to host clinics for the first time. Through 2020, we will increase our support for this program to encourage an increase in the number of taxfilers assisted.

The CRA's liaison officers work with small business to provide information and in-person support. This helps businesses get their taxes right, promotes compliance, and limits the potential need for compliance action. In addition to new and enhanced digital services to facilitate compliance, the CRA is continuing to advance the Liaison Officer Initiative with a national expansion of the Liaison Officer Assistance Request feature, which offers taxpayers the opportunity to request a visit from a Liaison Officer. Services offered through the Liaison Officer Assistance Request program include in-person visits to address tax-related questions and concerns, to review books and records and, where necessary, to provide recommendations on ways to strengthen a business's bookkeeping system, as well as visits to provide information on the various tools and services offered by the CRA to small businesses. Additional enhancements to the program will build on the successes of the early phases of the project and will include support for both income tax and GST/HST.

Funding from Budget 2016 supports a broader outreach strategy, providing more resources to expand regional outreach activities to various segments of the population. These outreach programs will build awareness and education about the benefits and credits available through participation in the tax system, strengthening partnership, and fostering knowledge and research. Extending the CRA's reach through partnerships with other government agencies and departments and non-governmental organizations will maximize linkages to many populations.

Planning highlights

To make it easy to comply with tax laws over the planning period, the CRA will:

- implement an e-services modernization strategy through 2020
- implement a national outreach strategy through regional expansion of in-person outreach
- offer an option to include online applications for charitable registration and electronic filing of the annual registered charity information return in 2018

- increase the number of registered plan forms accessible electronically from 1 to 11 by 2019
- enable secure digital two-way communication related to a specific audit through My Account, My Business Account, and Represent a Client by 2019
- implement an online tool to allow taxpayers to calculate their repayment amounts and options in 2017
- roll out the Liaison Officer Assistance Request feature nationally by 2018
- analyze the results of our Office Audit Letter Campaign to identify areas of risk and adapt annual letters, which will be sent in February of each year

Expected results

- Canadians will have access to improved, easy-to-use, modern, digital service options
- More Canadians will be able to comply with their tax and benefit obligations
- The number of returns completed through the Community Volunteer Income Tax Program will increase by 100,00 by 2020

Responding to the expectations and needs of Canadians

The CRA will continue to adapt its service model in response to Canadians' needs and expectations. We will listen and respond to taxpayers and benefit recipients. We will work with partners, including other government agencies and departments, to achieve our service goals and align with the Government of Canada model for service delivery and with the changing needs of Canadians.

Service Renewal

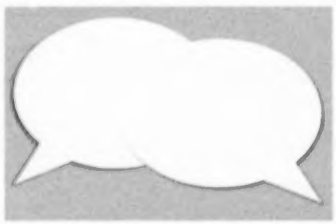
Canadians are increasingly turning to the Internet to file their taxes. In 2016, approximately 84% of Canadians filed their tax returns electronically. In order to offer world-class services, the CRA will be streamlining its processing activities and creating three new National Verification and Collections Centres (NVCCs). The changes are part of the Agency's Service Renewal Initiative, which will see the work the CRA currently undertakes in nine processing centres across the country transitioned into seven specialized sites. Of the nine current processing centres, four – in Winnipeg, Sudbury, Jonquière, and Summerside – will eventually specialize exclusively in tax return processing and will grow in size. Meanwhile, the three centres currently located in Surrey, Shawinigan, and St. John's will be converted to NVCCs and will grow, using Budget 2016 funding and funding reallocated from other sites. These changes will improve the CRA's effectiveness, strengthening its ability to serve Canadians while ensuring a strong presence in all regions of the country. The creation of specialized sites will result in faster, more efficient processing and better handling of calls to call centres. Overall, the Service Renewal Initiative will enhance the ways in which Canadians are able to engage with the Agency.

Enhanced Canada Pension Plan

On June 20, 2016, Canada's Ministers of Finance reached an agreement in principle to enhance the Canada Pension Plan (CPP). Federal legislation to implement this agreement received Royal Assent on December 15, 2016. The CPP enhancement will provide Canadians with greater retirement income security by increasing both the replacement rate on earnings and the range of earnings on which benefits are earned. The initiative has a gradual seven-year phase-in, starting in January 2019. Over the planning period, the CRA will engage with federal partners and key external stakeholders so the Agency is well-positioned to administer the changes and to ensure Canadians and the businesses they work for can adjust to the changes. The Agency will implement changes to a number of systems to effect the enhancements contemplated by the legislation, touching a broad cross-section of CRA programs (including for example, assessment, compliance, and enquiries programs). The identification and implementation of systems changes will begin in the first quarter of 2017-2018 and continue through project completion.

Engagement

A pivotal part of expanding and improving CRA services will be regular external engagement and direct feedback mechanisms. Feedback from taxpayers and benefit recipients helps us create programs and services which are fair, helpful, and accessible. Asking Canadians what they want and incorporating their feedback will allow us to meet their evolving service expectations.



The CRA strives to improve service to the millions of small and medium business owners in Canada, resulting in less cost, time, and effort spent on paperwork. The Serving You Better consultations are a forum for small and medium businesses and professional accountants to share valuable insights, which the CRA will use to make its programs and services more streamlined and client-focused for the small and medium business community. Consultations began in 2012 and are conducted every two years, with the most recent round of consultations occurring in summer and fall 2016. Serving You Better is a key component of our commitment to first-class government service for small and medium businesses. When small and medium businesses give their feedback to the CRA, they are helping us create fairer, more helpful, and easier to use programs and services.

Charities play a critical role in our society. They make a valuable contribution to public policy and public debate for all Canadians. To help charities continue this important work, they must be assured they are operating in a regulatory environment which respects and encourages their contribution. We are working to modernize the rules governing the charitable sector, including clarifying the rules governing political activities. Registered charities are allowed to engage in non-partisan political activities within certain limits. They are not allowed to engage in partisan political activities. As announced in Budget 2016, we will collaborate with the Department of Finance to engage with charities to clarify the rules governing political activities. As part of this engagement process, the CRA is collecting feedback from both charities and the public, which will be considered in the development of new guidance, or educational resources, for charities on the rules governing political activities.

Collaboration

Strong relationships with other government agencies and departments will ensure we can continue to focus on providing efficient and effective services to respond to people's needs and advance the Government of Canada service agenda. We will continue to engage other government agencies and departments, other levels of government, and stakeholders to achieve the CRA's agenda and improve service and business processes.

Several initiatives are underway to make it easier for Canadians to interact with the Government. For example, it can be time consuming to update personal information with multiple organizations, so the CRA is working with Employment and Social Development Canada to allow Canadians to update their direct deposit information with either the CRA or Employment and Social Development Canada. For example, in 2017, when Canada Pension Plan recipients provide their direct deposit information to one organization, it will be updated simultaneously in the other one. Future plans include expanding this service to other programs.

The CRA continually looks for ways to engage with external stakeholders to leverage their industry knowledge and better tailor our services, approaches, and support. For example, to combat the underground economy, the CRA partners with public- and private-sector stakeholders to distribute information and tools to provide information on the underground economy and the risks it poses to consumers.

Planning highlights

To respond to Canadians over the planning period, the CRA will:

- update guidance and educational resources for charities on the rules governing political activities, as a result of the outcome of consultations between government and the charitable sector
- publish an annual report outlining the priorities and activities of the CRA's Charities Directorate
- work with other government agencies and departments to implement a common business number for federal-facing business programs and services by 2018
- implement, in partnership with ESDC, a tell-us-once approach to direct-deposit information for Canada Pension Plan recipients in 2017
- engage other government agencies and departments and industry associations to increase awareness of the scientific research and experimental development program through 2018
- continue to conduct service-experience surveys, through 2020, to ask for feedback on interactions
- undertake user-experience testing of new and updated webpages in preparation for migration to Canada.ca[iv] by 2018
- implement changes to employer and individual assessing and compliance systems to support the gradual seven-year phase-in of increases to the CPP contribution rate beginning January 2019, and introduce system changes to effect both an increase to the working income tax benefit (roughly offsetting incremental CPP contributions for eligible low-income workers) and the tax deductibility of the enhanced portion of employee CPP contributions

Expected results

- Canadians will experience a tell-us-once environment, reducing time and effort spent informing federal agencies and departments about their direct deposit/banking information
- Businesses will be able to track their interactions with the CRA online, giving them assurance their requests are being addressed in a timely manner
- Increased opportunities to provide feedback will lead to improved services directly reflecting Canadians' needs and expectations
- Employer's and individual's information needs will be achieved by the implementation of a dedicated eCPP communication strategy

Providing fair and impartial review

If a taxpayer is unsatisfied with a service or a decision they have received, they have the option of a fair and impartial redress process. We resolve disputes and requests for relief arising from decisions made under the legislation and programs administered, and services we provide. A responsive redress process promotes voluntary compliance and fosters trust in the integrity of the CRA.

Every taxpayer who disagrees with a CRA decision about an assessment has access to the CRA's dispute-resolution process. We ensure each objection is treated fairly and in accordance with applicable laws, including the Income Tax Act. As part of our ongoing commitment to improve service and provide early certainty of tax obligations, the CRA plans to increase capacity to resolve more objections, more quickly. Enhancing digital services to include the ability to receive a response to a service complaint will also realize efficiencies.

The CRA also administers a process under which the Minister of National Revenue may, under legislative provisions, grant relief to taxpayers from penalties and interest arising from an inability to pay, through no fault of their own or circumstances beyond their control. Requests for taxpayer relief can arise due to any number of circumstances, ranging from widespread disaster to individual hardship. The CRA continually seeks to improve service, including electronic options to interact with taxpayers and allow for more efficient and timely processing of incoming taxpayer relief requests.

The 2016 Fall Report of the Office of the Auditor General focused on how efficiently the CRA manages income tax objections in terms of timeliness and whether performance indicators regarding the process were developed and reported. The audit also examined if the CRA analyzed and reviewed objections and appeals decisions and if it shares this information internally. We agree with the recommendations issued in the report and see this as a good opportunity to further strengthen our management of tax objections and review the adequacy of our service standards. By taking action to resolve income tax objections in a timely manner, the CRA will give Canadians the certainty they need about their tax affairs to make decisions for themselves and their families.

Planning highlights

To provide fair and impartial review over the planning period, the CRA will:

- implement electronic delivery of responses to service complaints through the secure portals by 2018
- improve communications to taxpayers to clarify the appropriate channels available to them to seek resolution of their complaint
- address recommendations made in the Office of the Auditor General Report by:
  - implementing an action plan in 2017 pertaining to income tax objections
  - establishing a new service standard in 2017-2018 for the resolution of low complexity objections. The new service standard is detailed in Appendix A: Service standards.
  - communicating objections and appeals decisions, including the reasons why changes are made, ensuring they are shared with assessing and audit areas through a formalized feedback process, and identifying opportunities for improvement in the service provided to Canadians
- renew processes, improve tools, and improve workload management by 2020 to enhance efficiency for Canada Pension Plan and employment insurance disputes
- introduce a new standard for service for issuing decisions on taxpayer relief requests to cancel or waive penalties and interest in 2017

Expected results

- Disputes will be resolved faster, allowing taxpayers to resolve their tax issues in a timely manner
- Decisions on taxpayer relief requests to cancel or waive penalties will be issued in a timely manner

Compliance

The CRA aims to make it easier for taxpayers who want to comply with Canada's tax laws and more difficult for those who choose not to comply. By selecting the right intervention for the risk, we ensure taxpayers are supported in the most effective way for compliance. We use the least intrusive and most efficient approach to encourage taxpayers to comply with their tax obligations, while reserving enforcement interventions for those who do not intend to comply.

In recent years, the CRA's significant actions to deter, detect, and correct non-compliance have included: increasing focus on high-risk segments of the population; reinforcing strategic partnerships with key countries and organizations; developing business intelligence tools to maximize the use of available data; and enhancing risk-assessment capacity. We intend to build on the successes of these initiatives.

Business intelligence

The CRA's innovative use of research, analytics, and data mining plays an important role in our ongoing long-term compliance efforts. The Agency's business intelligence encompasses both big data to enhance predictive analytics (how we detect non-compliance) and behavioural economics to strengthen compliance. The application of advanced analytics allows for improved decision making and enhances the CRA's tactical and strategic business processes. The nature of our business environment means we are constantly developing innovative, flexible, and strategic approaches to support our activities in research, analytics, and data mining.

The CRA currently invests a great deal in its business intelligence infrastructure, and an additional $28 million has been earmarked to develop an even more robust infrastructure at the Agency over the next few years. This long-term investment will help the CRA to renew its business intelligence computing platform, tools, and processes to further strengthen our business intelligence foundation. The renewed business intelligence environment will improve the Agency's advanced research, trend analysis, and compliance-risk analysis. Adjustments to the

platform, together with a research-and-development approach in a lab environment will allow experimentation and learning, while producing exceedingly faster outcomes. We will also implement a plan to meet the evolving need for CRA employees to use data for risk assessment and business development.

Research

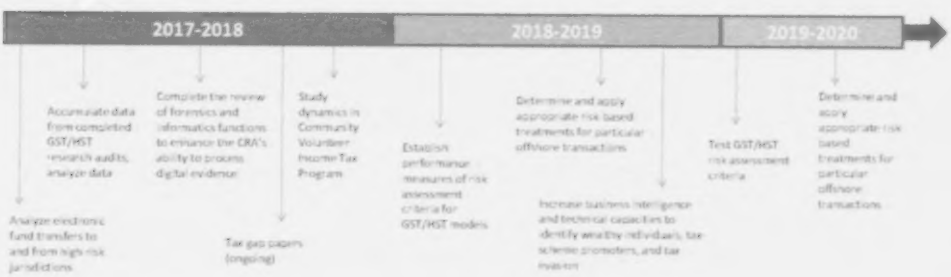
In our ongoing effort to determine the most appropriate and effective intervention for a particular compliance risk, the CRA will conduct behavioural research and launch pilot projects to assess the impact of new or modified compliance treatments. We plan to further refine the use of behavioural economics and to develop experimental designs for projects to assess the impact of different treatments on similar groups of taxpayers. This research will, in turn, assist in the development of predictive models, which will allow the CRA to better focus resources to target material non-compliance with the most appropriate interventions, while maximizing outreach to taxpayers through education and assisted compliance treatments.

Why study the tax gap?

- Research on particular components of the tax gap (for example, type of tax, stage of compliance continuum, subset of taxpayers) will enrich the CRA's analysis of various aspects of non-compliance and provide additional insight into the concrete work being done by CRA to combat non-compliance.
- An examination of the international tax gap with a focus on offshore compliance issues from a Canadian perspective will identify data to assist the CRA in estimating the international tax gap overall.

Protecting Canada's revenue base and the fairness of our tax system includes understanding and addressing the tax gap. Broadly defined, the tax gap is the difference between the tax payable if all obligations were fully met in all instances, and the tax actually paid and collected. The CRA will continue to study the tax gap, collaborating with international counterparts, other organizations, academics, and other experts. Building on the two tax gap papers published in 2016, the CRA will publish a series of papers on other aspects of the tax gap.

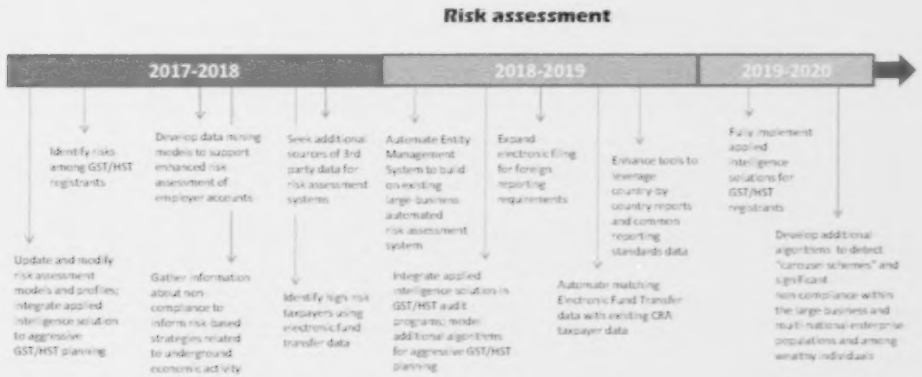
Research


2017-2018
2018-2019
2019-2020
Accumulate data from completed GST/HST research audits, analyze data
Complete the review of forensics and informatics functions to enhance the CRA's ability to process digital evidence
Study dynamics in Community Volunteer Income Tax Program
Establish performance measures of risk assessment criteria for GST/HST models
Determine and apply appropriate risk based treatments for particular offshore transactions
Test GST/HST risk assessment criteria
Determine and apply appropriate risk based treatments for particular offshore transactions
Analyze electronic fund transfers to and from high-risk jurisdictions
Tax gap papers (ongoing)
Increase business intelligence and technical capacities to identify wealthy individuals, tax scheme promoters, and tax evasion

Risk assessment

The CRA assesses many types of risk to deter, detect, and address non-compliance. Our compliance risk-assessment methods are constantly evolving and improving. In addition to its own data, the CRA receives a wide variety of information from international parties to use for risk assessment. In the planning period, the Agency will seek additional sources of information and refine data-mining and risk-assessment models related, among others, to GST/HST registrants, employer accounts, third-party data, underground economic activity, and high-risk taxpayers.

By expanding capabilities in predictive analytics, the CRA will deliver more results Canadians expect, such as detecting and deterring tax avoidance and maximizing tax recovered. We will extend the scope of our business intelligence solutions by adopting big-data technologies to include more semi-structured and unstructured data.


Risk assessment
2017-2018
2018-2019
2019-2020
Identify risks among GST/HST registrants
Develop data mining models to support enhanced risk assessment of employer accounts
Seek additional sources of 3rd party data for risk assessment systems
Automate Entity Management System to build on existing large business automated risk assessment system
Expand electronic filing for foreign reporting requirements
Enhance tools to leverage country-by-country reports and common reporting standards data
Fully implement applied intelligence solutions for GST/HST registrants
Update and modify risk assessment models and profiles; integrate applied intelligence solution to aggressive GST/HST planning
Gather information about non-compliance to inform risk-based strategies related to underground economic activity
Identify high-risk taxpayers using electronic fund transfer data
Integrate applied intelligence solution in GST/HST audit programs; model additional algorithms for aggressive GST/HST planning
Automate matching Electronic Fund Transfer data with existing CRA taxpayer data
Develop additional algorithms to detect "carousel schemes" and significant non-compliance within the large business and multi-national enterprise populations and among wealthy individuals

Outcomes analysis

The CRA analyzes the results of its research, risk assessment, and predictive analytics to assess their effectiveness and to inform future decisions. The CRA's strategic, systems-based approach increases the efficiency and effectiveness of our compliance programs by concentrating our resources over the long term on addressing non-compliance with the greatest materiality. This protects Canada's revenue base and the fairness of the tax system.

Planning highlights

The CRA will continue to use business intelligence to:

- develop innovative, flexible, and strategic approaches to support research, analytics, and data mining
- identify and target high-risk industry and population sectors
- enhance forensic and informatics capabilities for criminal investigations
- examine the international tax gap, focusing especially on offshore compliance issues, to assist the CRA in estimating the international tax gap overall
- inform outreach activities by analyzing results of previous efforts
- meet the evolving need for CRA employees to use data for risk assessment and business development
- apply behavioural economics through the use of outreach strategies and reinforcement messaging (e.g., letter campaigns, automated messages), allowing the CRA to continue to influence taxpayer attitudes and improve voluntary compliance
- implement a modernized workload management system for most collection and compliance workloads that will provide a suite of enhanced system capabilities that will be more sustainable and efficient, and provide the flexibility to accommodate shifting business needs

Expected results

Planned business intelligence improvements support the CRA's efforts to prevent the issuing of unwarranted goods and services tax/harmonized sales tax (GST/HST) refund and rebate claims and to address willful non-compliance and aggressive GST/HST schemes.

The acquisition of tools and technological expertise needed for complex investigations and audits will increase the exposure of sophisticated and well-organized schemes. The CRA anticipates updated risk-detection technology will:

- enhance our identification and risk assessment of high net worth individuals and large corporations to detect and correct non-compliance
- increase capacity to redirect current resources to compliance-enforcement activities, ensuring the most effective intervention to protect the tax base and the integrity of Canada's tax system
- increase understanding of complex networks deliberately designed to avoid paying tax
- ensure taxpayers have access to accurate information to assist them in meeting their tax obligations
- foster innovation in the technology platform and the business intelligence infrastructure enabling the Agency to continue to improve its programs and services, thus making it easier for individuals and businesses to interact with the CRA

The CRA's tax gap papers will provide more in-depth analysis of the methodological and practical considerations associated with tax gap estimation, and will further enhance our understanding of how this information could assist in administering Canada's tax system.

International co-operation

In support of our strategy to address international tax risks, the CRA continues to play a leadership role in collaborating with the growing global network of tax administrations and international bodies working together to fight international tax evasion and aggressive tax avoidance and to build capacity among developing country tax administrations.

A key element of the global tax evasion and tax avoidance strategy includes enhanced transparency. To this end, the CRA is preparing for the implementation of the Common Reporting Standard (CRS) to facilitate the automatic exchange of information. In June 2015, the CRA signed a multilateral administrative arrangement to prepare for effective, secure, and timely exchanges under the CRS. More than 100 jurisdictions, including Canada, are committed to implement the CRS with the first exchanges of information occurring in 2017 or 2018. The CRA is scheduled to begin information exchanges with respect to accounts held in 2017 by September 2018. Work is ongoing at the CRA to prepare for, and benefit from, the first exchanges of CRS information.

To further enhance transparency, Budget 2016 investments will allow Canada to also implement country-by-country (CbC) reporting, one of the recommendations of the OECD/G20 Base Erosion and Profit Shifting (BEPS) action plan. The objective of CbC reporting is to increase transparency

on the global operations of certain multinational enterprises. CbC reporting includes information on these multinational enterprises' global allocation among countries of income, economic activity, and tax paid. CbC Reports will be filed in the jurisdiction of tax residence of the ultimate parent entity of the multinational entity group, then shared between jurisdictions through automatic exchange of information pursuant to government-to-government agreements. The CRA will implement CbC reporting standards for improved transfer-pricing documentation in 2017.

In addition, the CRA Commissioner will continue to play a leadership role at the international level through his participation in the OECD Forum on Tax Administration (FTA). The FTA is a forum through which tax administrators from 46 countries can identify, discuss, and influence relevant global trends and develop new ideas to enhance tax administration around the world. FTA Commissioners have acknowledged that the new measures to enhance transparency will better position tax administrations to combat tax evasion and tax avoidance, in part, by encouraging greater voluntary compliance.

Key elements of the FTA work over this planning period include supporting the OECD/G20 international tax agenda (including BEPS implementation), strengthening global efforts to tackle cross border tax avoidance and evasion, and enhancing core tax administration (service and compliance) functions.

What is BEPS?

(Base erosion and profit shifting)

The OECD defines BEPS as tax planning by multinational enterprises that exploits gaps in tax rules. These enterprises shift otherwise taxable profits to jurisdictions with low or no tax, even if little or no activity has actually taken place in these jurisdictions.

Because they pay little or no tax, multinational enterprises that artificially separate their taxable profits from where these profits arose:

- erode the tax base by not paying their fair share of tax
- negatively affect competition
- distort investment decisions
- reduce overall trust in the tax system.

Canada is an international leader in addressing BEPS.

In this context, the CRA will continue to participate in the Joint International Taskforce on Shared Intelligence and Collaboration (JITSIC). Under the auspices of the FTA, JITSIC-participating countries operate under a legal framework of bilateral and multilateral conventions and tax information exchange agreements to share experience, resources, and expertise to tackle common tax evasion and avoidance issues.

Furthermore, as a member of the FTA Bureau, the CRA Commissioner will lead efforts designed to support the international tax agenda, namely through his sponsorship of the Large Business and International Programme and Capacity Building Network.

In addition to continuing to build tax administration capacity in developing countries bilaterally and multilaterally, the Agency will also further the development of a global on-line Knowledge Sharing Platform. This Platform will connect tax officials and experts from advanced and less-advanced administrations to share practical information and tools on all aspects of tax administration.

Planning highlights

To foster international co-operation for detecting non-compliance, the CRA will:

> implement the automatic exchange of information with international partners as part of the OECD's Base Erosion and Profit Shifting (BEPS) project

> build tax administration capacity in developing countries

- enhance operational collaboration among tax administrations
- engage with other tax administrations to identify trends, develop strategies, set benchmarks, share best practices, and develop future initiatives related to debt management

Expected results

- Increased compliance from multinational and large corporations
- The CRA will develop systems, policies, and procedures, and recommend legislative changes, leading to a set of common rules between countries, tighter international rules, enhanced exchange of information, and improved dispute resolution
- Beginning in 2017, the CRA will receive certain required information from Canadian financial institutions regarding accounts held by non-residents
- The implementation of the Common Reporting Standard will allow for a first exchange of information in 2018. The confidentiality of exchanged information will be protected by the CRA with the inclusion of safeguards to ensure the information is used only by tax authorities and only for tax purposes
- Under CbCR, specified multinational enterprises will be required to provide tax administrations with information on revenues, profits, taxes accrued and paid, and some activity indicators

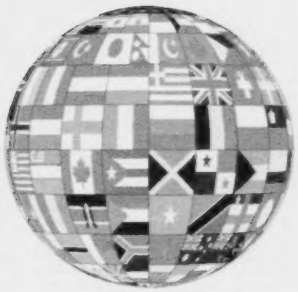
Improving Compliance

The CRA's compliance activities seek to protect the integrity of Canada's self-assessment system by identifying and addressing those who do not accurately report income. Our compliance interventions follow an escalating approach, from influencing compliance to enforcing it. We seek to positively influence compliance attitudes by increasing taxpayers' understanding of their tax obligations through targeted outreach activities, client service, social marketing, communications, and education. To protect Canada's revenue base, we also conduct examinations, audits, and investigations at the domestic and international levels to ensure compliance with Canada's tax laws.

During the planning period, in addition to efforts to combat the underground economy, the CRA will focus on enhanced compliance measures related to tax evasion and aggressive tax avoidance, filing integrity in high-risk sectors, and increasing the collection of tax debts. This focus over the planning cycle will increase the CRA's ability to find those who evade or aggressively avoid taxes and ensure they pay their fair share of tax.

Tax evasion and aggressive tax avoidance

Tax evasion and aggressive tax avoidance by individuals and businesses cost governments and taxpayers, reducing the fairness and integrity of the tax system. Detecting and addressing tax evasion and aggressive tax avoidance is a Government of Canada priority. Significant investments from Budget 2016 will allow it to hire additional auditors and specialists, increase verification activities, and improve the quality of investigative work targeting non-compliance risks both domestically and internationally. The CRA plans to implement strategies addressing aggressive tax avoidance and tax evasion among large and multinational businesses and wealthy individuals, particularly those operating offshore.



The CRA is committed to combatting the abusive use of offshore jurisdictions and protecting the integrity of the Canadian tax system. International tax evasion and aggressive tax avoidance are complex global issues. Information from the Offshore Tax Informant Program, international electronic funds transfers, and exchanges with treaty partners help the Agency detect offshore non-compliance. Enhancements to our teams and tools will improve our analysis of relevant information and identification of Canadians who may have used accounts to hide or conceal money offshore. We will undertake projects to ensure full coverage of the segment of the population engaging in offshore transactions. This is a shift to a more concentrated risk assessment of this entire taxpayer segment.

Large businesses

Approximately 1,200 corporate groups make up the large business population in Canada. These groups include parent companies and their subsidiaries, which can make up a total of 25,000 to 26,000 legal entities. Over the next three years, the CRA will increase our capacity to conduct audits and reassessments within the large business sector. The Agency will allocate resources to various regions based on the compliance risks identified through our preliminary analysis. Over five years, the CRA will create 16 new large business audit teams to detect and correct non-compliance among the largest and most complex taxfilers, to ensure profits are not shifted offshore and Canada receives any taxes owed.

Multinational enterprises

The CRA will also add new tax professionals to our already robust team to assist in auditing high-risk multinational corporations and unravelling complex international and aggressive tax avoidance transactions. Technical experts, including lawyers, accountants, valuation specialists, economists, and industry sector specialists, will be deployed to strengthen technical expertise and provide assistance to auditors when required. All intelligence gathered and assessing positions developed by these teams will be fed back into the CRA's risk-assessing systems to inform future plans. The CRA recognizes the importance of tax certainty for large business competitiveness and for overall economic growth. Through the adoption of more industry and sector approaches to audit combined with the additional technical capacity for our senior auditors, the Agency aims to increase its commercial awareness and enhance the efficiency and effectiveness of audit actions for large business.

Wealthy individuals

Some wealthy individuals and related parties use private corporations or complex schemes to inappropriately reduce or defer tax. This includes involvement in complex offshore structures and transactions. The CRA is expanding the scope of the wealthy population segment and its related party initiative through new risk assessment strategies and additional audit teams.

Aggressive GST/HST planning

There are 3.5 million GST/HST registrants in Canada. The CRA receives two million refund and rebate claims totalling about $60 billion annually. Some of these claims are false, and some people knowingly and aggressively avoid paying GST/HST. The CRA will deploy additional audit resources to prevent the issuance of unwarranted GST/HST refund and rebate claims and to address willful non-compliance and aggressive GST/HST schemes.

Tax scheme promoters

Promoters, acting individually or through a network of sales agents, market and sell schemes which, ultimately, contravene Canadian tax law and, unfortunately, result in taxpayers losing money. Budget 2016 provided funding to the CRA to allow the Agency to increase its audit efforts on promoters of tax schemes. To protect individuals and the tax base, the CRA plans to enhance a Promoter Centre of Expertise and deploy additional specialized audit teams to detect abusive tax schemes earlier, effectively addressing the supply of these arrangements before they are widely sold.

The CRA has the authority to apply third-party penalties against tax preparers, promoters, and other third parties who make misrepresentations about tax matters, which could result in other persons making false statements or omissions on their tax returns. The CRA is committed to conducting fair and impartial reviews and strictly controlling the application of penalties.

Meanwhile, the provision of legal counsel specifically dedicated to offer advice at the investigation stage of tax evasion cases will enhance the quality of promoter cases referred for prosecution. To maintain the integrity of the tax system, deter intentional non-compliance, and warn Canadians of potential fraud schemes, the CRA will publicize successful prosecutions and investigation actions more widely. Publicizing the consequences of engaging and promoting these schemes underscores the fact tax evasion and fraud are criminal offences and offenders will be pursued and prosecuted.

Underground economy

Individuals or businesses deliberately under-reporting or failing to report income or sales to avoid paying taxes undermine the fairness and integrity of the tax system and the competitiveness of law-abiding businesses. The CRA is committed to reducing the social acceptability of, and participation in, the underground economy. During the planning period, our specialist teams will enhance their focus on those who do not file their returns. These teams will also conduct comprehensive audits of businesses using software to hide sales, as well as audits of businesses in high-risk sectors.

Planning highlights

To improve compliance and address tax evasion and aggressive tax avoidance, the CRA will:

- expand technical capacity, risk assessment, audit, and assessment of large businesses, multinational enterprises, and wealthy individuals
- coordinate industry and sector approaches to large business audit to enhance commercial awareness and audit efficiency, resulting in increased tax certainty for taxpayers and the Government of Canada
- deploy more resources to address aggressive GST/HST planning
- take additional steps to address underground economic activity, including audits of businesses using software to hide sales
- implement a national eDiscovery process, using a suite of tools to enhance our forensic and informatics capabilities, and assist legal and investigative teams with the review and analysis of high volumes of electronic evidentiary documents to expose sophisticated and well-organized schemes

Expected results

- Overall, and as a result of Budget 2016's compliance investments, the CRA estimates its planned measures to target aggressive tax avoidance and tax evasion will generate new, incremental revenue of $2.6 billion over the next five fiscal years
- New large-business audits are expected to generate $500 million of federal revenue over five years
- Audits of wealthy individuals over the next five years are expected to generate $432 million of federal revenue
- With more specialists, the CRA will be better positioned to identify potential loopholes in current legislation, which may be exploited to inappropriately avoid or willfully evade tax. The Agency will identify these issues to the Minister of Finance. Any resulting legislative remedy will further limit potential leakage in tax revenue
- With more focus on promoters, wealthy individuals, and those moving money from offshore, the CRA expects to apply more penalties against those abusing the tax system and make more timely referrals for criminal investigations when appropriate
- The CRA will continue to benefit from international partnerships through enhanced information sharing. Compliance actions will be current, advanced and used as a model for effectiveness
- An enhanced focus on those in the underground economy who do not file tax returns is expected to generate over $100 million in additional revenue
- The CRA will begin to report on the compliance impact of audit interventions for small and medium enterprises in 2018-2019
- Our national eDiscovery process will deliver consistent and timely eDisclosure appropriate to today's complex legal and digital environment

Filing integrity

To fully comply with Canada's tax laws, taxpayers must file their returns on time, pay their tax debts on time and, when required, register to collect GST/HST or other levies and remit amounts deducted at source to the CRA. Over the planning period, the CRA will extend certain enhanced compliance initiatives to enforce registration and complete validations and reviews of withholding, remitting, reporting, and filing obligations for individuals and businesses.

Individual reporting

During the off-season of the Individual Income Tax (T1) Program, the CRA will address new instances of non-compliance and promote ongoing voluntary compliance by increasing our focus on the early detection of unwarranted refunds. This will permit us to identify more individual non-compliance trends and concerted non-compliance tactics. It will also better protect those who are vulnerable within the tax-filing population. We will do more assessment reviews, conduct screening, issue contact letters, and process responses, assessments, and reassessments. Where warranted, cases of suspected tax evasion will be investigated and referred for prosecution.

Business reporting

To target known or suspected non-compliance, the CRA will increase our verification activities to strategically review corporate (T2) and GST/HST returns. Matching information across CRA business lines ensures we identify the highest risk returns. These reviews are aimed at improving compliance with reporting obligations, increasing corporation assessing and GST/HST post-assessing, enhancing federal reporting to the provinces and territories, and increasing taxpayer awareness of how to properly report deductions and credits.

SR&ED claims

The Scientific Research and Experimental Development (SR&ED) Program is the largest single source of federal government support for industrial research and development in Canada. The CRA is committed to administering the program with fiscal integrity. Accordingly, the CRA will implement a number of initiatives to further enhance consistency in the treatment of claims and ensure a robust claim-review process.

Disclosures and tips

We encourage taxpayers who have not filed or reported, or who realize their previous tax filings are inaccurate, to voluntarily disclose this to the CRA. Those who do not voluntarily disclose non-compliance may be subject to audit or investigation, which can result in significant penalties, fines, or imprisonment. As approximately 80% of voluntary disclosures are filed on behalf of taxpayers by third-party authorized representatives, the CRA plans to promote the electronic filing of disclosures to the tax professional community, making it easier for the taxpayers they represent to put their tax affairs in order.

The CRA also encourages the public to come forward and provide information leading us to detect a violation of tax legislation. Leads can be communicated to the CRA by phone, mail, fax, in person, and electronically. They can be submitted anonymously and are all confidential. In the planning period, the CRA plans to modernize how it screens and assesses leads information.

Planning highlights

To enhance filing integrity and deliver on Budget 2016 commitments, the CRA will:

- review an estimated additional 16,000 non-filer accounts in 2017
- review an estimated additional 28,000 small/medium T2 corporation returns for accuracy and compliance in 2017
- conduct additional verification activities on over 32,500 business accounts in 2017 (verifying over 180,000 accounts in the next five years)

Expected results

- Enhanced registration enforcement, validations, and reviews of withholding, remitting, reporting and filing obligations are expected to generate $279.5 million of federal revenue in 2020-2021
- Increased scrutiny of income tax and benefit returns is expected to generate $143 million in federal revenue over five years
- Enhanced business reporting review is expected to generate $302.9 million of federal revenue over five years

Collections

The success of the CRA's work in combatting aggressive tax avoidance, the underground economy, and tax evasion, together with the growth of Canada's tax base, has contributed to tax debt growth. The CRA will manage tax-debt growth by further developing services for taxpayers who want to resolve their debt, enhancing our strategies to better assess risk, and assigning cases for the intervention most appropriate to the risk. We will also increase resources to address cases which have been risk-scored and not resolved after automated collection efforts. A portion of these resources will focus on debts raised through our reporting-compliance actions on underground economy, aggressive international tax avoidance, offshore, and tax evasion files. The Agency will complement these efforts by encouraging earlier payment of outstanding tax liabilities and working with those who cannot pay the full amount when it is due.

The CRA Service Renewal initiative is one of the largest transformations to the way we structure and deliver our collections and verification program activities in many years. More specifically, the CRA is evolving its program delivery footprint in the regions to meet the challenges and opportunities for taxpayer compliance and service delivery over the coming years. This evolution will set the course for us to adapt to rising service expectations, advances in technology, demographic changes, and globalization. An initiative such as this one also recognizes the ongoing government inspired goal to be even more efficient and productive with the investment being made in us.

Planning highlights

To increase the capacity to collect tax debts, the CRA will:

- enhance collections activities by hiring more people to more effectively address intake levels and the high inventory of tax-debt files, better assist taxpayers who want to pay, and take appropriate collection action against those who do not pay the tax they owe
- hire more people for specialized teams to collect on debts raised through reporting compliance initiatives, such as those targeting aggressive tax avoidance, offshore non-compliance, and the underground economy
- modernize tax centres, call centres and establish National Verification and Collections Centres (NVCCs) to enhance our client-focused services
- as part of the enhanced service agenda, CRA will implement an enhanced problem resolution model to resolve urgent, complex, and sensitive taxpayer issues

Expected results

- The CRA's increased capacity to collect outstanding tax debts will lead to the collection of an additional $7.4 billion in tax debt over five years, and $1.65 billion ongoing
- The Agency anticipates stabilizing the growth of the tax debt over the next five years
- Improve our compliance, collections, and verification capacity, and ultimately ensure the ongoing sustainability of our presence in all regions of the country

Tax

Budgetary financial (in dollars)
Human resources (full-time equivalents)

Planned 2017-18[1]

2,737,078,407

Planned 2018-19[1]

2,748,402,606

Planned 2019-20[1]

2,755,219,080

Main Estimates 2017-18

2,737,078,407

Planned FTEs 2017-18[2]

30,104

Planned FTEs 2018-19[2]

29,934

Planned FTEs 2019-20[2]

30,109

[1] Planned spending refers to those amounts for which a Treasury Board submission approval has been received no later than February 1, 2017. This cut–off date differs from the Main Estimates process. In any given year planned spending may include amounts incremental to planned expenditure levels presented in the Main Estimates, however, this year it does not.

[2] Planned FTEs (full-time equivalents) represents the hours worked by one employee on a full-time basis. Since the CRA employs persons on both a full-time and part-time basis, the number of persons employed by the Agency is not equal to the number of FTEs utilized; the number of actual persons employed will always be higher.

Tax
Planned results

Canadians comply with tax obligations, non-compliance is addressed, and Canadians have access to appropriate mechanisms for resolving disputes

Indicator	Target	Actual result
Percentage of filers who have filed a tax return by their due date (by March 31, 2018)[1]	90%	2013-14: 92% 2014-15: 93% 2015-16: 94%
Percentage of known businesses registered for GST/HST (by March 31, 2018)	90%	2013-14: 94.5% 2014-15: 94.6% 2015-16: 94%
Percentage of reported taxes (including instalments) and source deductions that are paid on time (by March 31, 2018)	90%	2013-14: 90.4% 2014-15: 89.9% 2015-16: 89.9%
Percentage of external service standards targets that are met or mostly met (by March 31, 2018)	90%	2013-14: 92% 2014-15: 94.1% 2015-16: 91.5%
Public Perception Index: score compared to baseline (by March 31, 2018)	Maintain or Increase	N/A[2]
Percentage of total volume of improved correspondence (i.e. changes to structure, design, language and format) (by March 31, 2018)	90%	N/A[2]
Percentage of services available online (by March 31, 2018)	77%	N/A[2]
Number of Community Volunteer Income Tax Program returns completed (by March 31, 2018)	800,000	2013-14: 606,128 2014-15: 633,468 2015-16: 749,963
Complete an online consultation open to charities and the public (by March 31, 2018)	March 2018	N/A[2]
Incremental revenue resulting from Budget 2016 investments (by March 31, 2021)	$2.6B over 5 years	N/A[2]
Incremental debt collected (resolved) resulting from Budget 2016 investments (by March 31, 2021)	$7.4B over 5 years	N/A[2]

[1] Note the methodology for determining the results for this indicator has recently been revised and therefore the 2016-2017 calculations will not be directly comparable with past figures.

[2] This is a new indicator and results were not reported on previously.

Information on the CRA's Program Inventory is available in the TBS InfoBase[v].

Benefits

To ensure that Canadians obtain the support and information they need to know what benefits they may be eligible to receive, that they receive their benefit payments in a timely manner, and have avenues of redress when they disagree with a decision on their benefit eligibility.

The Canada Revenue Agency (CRA) administers a range of ongoing benefits and one-time payment programs for the federal government and the provinces and territories. Benefit programs offered by the federal, provincial, and territorial governments support the economic and social well-being of Canadians across the country. Many Canadians depend on benefit payments for a significant part of their household income. Benefits include the goods and services/harmonized sales tax (GST/HST) credit and the Canada child benefit (CCB), which is a tax-free monthly payment made to eligible families to help them with the cost of raising children under 18 years of age.

The CRA issues close to $29 billion in credit and benefit payments to 13 million Canadians each year. We strive to make the right benefit payment to the right individual at the right time, and to give benefit recipients accessible information and timely responses to their enquiries. The CRA is taking steps to make sure all Canadians, including Canadians with lower incomes, Indigenous peoples, and newcomers, are getting the benefits they are entitled to, in a timely manner.

Outreach

Further to the successful launch of the Canada child benefit in July 2016, we will continue implementation efforts to increase our outreach activities, focusing on the availability of benefits by proactively reaching out to all Canadians, particularly to vulnerable and Indigenous segments of the population. We are collaborating with other government and non-government partners to develop a broad outreach approach to increase the number of Canadians receiving the benefits to which they are entitled.

During the planning period, the CRA will proactively contact Canadians who are entitled to, but may not be receiving tax benefits. The CRA will continue sending letters to certain Canadians who have not filed an income tax and benefit return, but who are likely to be entitled to receive tax credits, encouraging them to file a return. The Non-Filer Benefit Letter initiative is a targeted campaign to increase the number of Canadians filing their returns so they receive benefits to which they may be entitled. Annually, the CRA will send reminder letters to potentially eligible non-filers encouraging them to file in order to receive benefits.

The CRA is expanding its outreach in Indigenous communities, providing information on benefits and credits which individuals may be entitled to receive if they file a tax return.

As noted earlier, the Community Volunteer Income Tax Program is a collaborative initiative between the CRA and community organizations. Community partners across Canada host tax preparation clinics and arrange for volunteers to prepare income tax and benefit returns for eligible individuals. The CRA provides training, support, and tax preparation software for participating organizations and volunteers. We will increase our support for the program by providing more in-person training and increased partnerships with organizations involved in preparing returns for eligible individuals, including Indigenous peoples, seniors, lower-income earners, and people with disabilities. This direct outreach effort will ensure all segments of the population receive the benefits to which they are entitled.

Digital Services

The CRA's Automated Benefits Application service gives Canadians a quick, easy, secure way to apply for all child benefit programs. We are working toward expanding this service to include the three territories, which would mean eligible Canadians could apply for their child's benefits, including the CCB, as well as any related provincial or territorial benefits, and register the newborn for the goods and services/harmonized sales tax credit in one secure space.

MyBenefits CRA is a web-based mobile app for individual benefit recipients offering a personalized view of benefit and credit payment details. The app is a fast, easy, and secure way to verify the amount and date of upcoming benefit payments. During the planning period, the CRA will continue to enhance MyBenefits CRA by adding features so Canadians can:

> update personal details, including phone number and address

> sign up for direct deposit

> see the breakdown of the provincial/territorial benefits

The CRA has a very sophisticated technology environment with the capacity to handle large volumes of benefit transactions accurately, securely, and on time. We continue to modernize our information technology infrastructure to keep pace with advancements and to protect the integrity of our benefit services. The Benefits System Renewal project will be completed in 2019 and will ensure benefit payments are delivered in the most efficient way possible, while also enabling future growth and excellence in service delivery.

Telephone services

Canadians expect to have timely and accurate responses to their enquiries and to be able to contact the CRA in multiple ways. Often, benefit recipients will call the CRA to seek confirmation of their understanding of information they have read on the web, or to seek assurance their benefit payments will be issued.

In a typical year, the CRA answers over six million calls on the benefit enquiries line and is committed to providing a client-focused approach by responding to all calls within our targeted time frame.

During the planning period, the CRA will strive to provide a more accessible telephone service by:

> modernizing the telephone service, in the longer-term, as part of the Government-wide service strategy. This project will be completed in 2020 and will introduce technologies to improve the quality of the caller experience and, over time, will present a new range of options to improve service and will invite clients to self-serve

> simplifying all benefit notices, including the disability tax credit letter, making them straightforward and easy to read, to potentially reduce the number of calls received for clarification on issues related to benefit entitlement

> improving digital services to make it easier to interact with the CRA from an electronic device. Call centre agents will encourage callers to use the CRA's digital services

> continuing to implement a call-driver reduction strategy, while increasing the number of call agents to improve client service

Planning highlights

To make sure Canadians receive the benefits to which they are entitled, the CRA will:

> issue 160,000 letters each year over the planning period through the Non-Filer Benefit Letter initiative

> introduce a new service by 2018 to automatically complete returns (with taxpayer confirmation) for lower or fixed-income Canadians

> take steps to expand the Automated Benefits Application service

> complete the Benefits System Renewal project by 2019

Expected results

> There will be an increase in the number of taxpayers receiving benefits payments

> The number of returns completed through the Community Volunteer Income Tax Program will increase by 100,000 by 2020

> Benefit recipients who provide complete and accurate information will receive the proper entitlement

> Payments will be issued to benefit recipients on time

> Canadians will be satisfied with the benefit application processing time

Benefits

Budgetary financial (in dollars)
Human resources (full-time equivalents)

Planned 2017-18[1]

487,819,400

Planned 2018-19[1]

498,060,088

Planned 2019-20[1]

495,711,914

Main Estimates 2017-18

487,819,400

Planned FTEs 2017-18[2]

1,592

Planned FTEs 2018-19[2]

1,586

Planned FTEs 2019-20[2]

1,550

[1] Planned spending refers to those amounts for which a Treasury Board submission approval has been received no later than February 1, 2017. This cut-off date differs from the Main Estimates process. In any given year planned spending may include amounts incremental to planned expenditure levels presented in the Main Estimates, however, this year it does not.

[2] Planned FTEs (full-time equivalents) represents the hours worked by one employee on a full-time basis. Since the CRA employs persons on both a full-time and part-time basis, the number of persons employed by the Agency is not equal to the number of FTEs utilized; the number of actual persons employed will always be higher.

Benefits
Planned results

	Indicator	Target	Actual result
Canadians receive their rightful benefits in a timely manner	Percentage of Canada Child Benefit (CCB) recipients who provide complete and accurate information in order to receive the proper entitlement (by March 31, 2018)	95%	N/A[1]
	Percentage of benefit payments issued to benefit recipients on time (by March 31, 2018)	99%	2013-14: 99.9% 2014-15: 99.9% 2015-16: 99.9%
	Percentage of respondents satisfied with benefit application processing time (by March 31, 2018)	75%	2013-14: 84.3% 2014-15: N/A[2] 2015-16: N/A[2]
	Percentage of taxpayers (benefit recipients) who filed as a result of targeted CRA intervention (by March 31, 2018)	25%	N/A[3]

1 Data to calculate the actual number of CCB recipients who provide complete and accurate information on their applications is not provided every year. The most recent results only became available in May 2016 and will be reported on for 2016-2017.

2 Results were not available for 2014-2015 due to a lack of respondents. In 2015-2016, no survey was conducted.

3 This is a new indicator and results were not reported on previously.

Information on the CRA's Program Inventory is available in the TBS InfoBase[v].

Internal Services

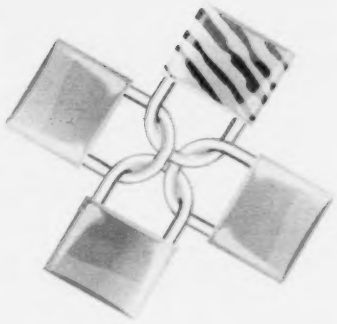
Internal Services are those groups of related activities and resources that the federal government considers to be services in support of programs and required to meet corporate obligations of an organization. Internal Services refers to the activities and resources of the 10 distinct service categories that support program delivery in the organization, regardless of the Internal Services delivery model in a department. The 10 service categories are: management and oversight services, communications services, legal services, human resources management services, financial management services, information management services, information technology services, real property services, materiel services, and acquisition services.

The CRA has in place a rigorous system of financial controls over planning and budgeting to support the efficient administration of the Government of Canada's tax and benefits system. Through an ongoing commitment to clear and well-defined accountabilities, and an efficient financial services delivery model, the CRA ensures the disbursement of its resources is done prudently and effectively, and is aligned with the strategic direction and priorities of the Agency and the Government.

We regularly review our finance and administration organizational and service delivery models to maximize efficiencies, simplify processes and procedures, and identify improvement and savings opportunities. As a first wave adopter of the new Policy on Results from the Treasury Board of Canada Secretariat, the CRA will use a new framework in 2017, the Departmental Results Framework, for all of its planning and reporting activities. Indicators and outcomes set out in this plan are fully aligned with this framework. This is in direct support of the Government of Canada's transition to a new results-based reporting framework, which will make sure key priorities are met and communicated to Canadians.

The CRA's strategic priorities of service, compliance, innovation, people, and integrity and security permeate all we do. While service and compliance are mainly outward-facing as we administer tax and benefits, internal activities and resources provide the support and oversight necessary to fulfill our organizational obligations and to ensure integrity and security, innovation, and the right people are in place to allow the Agency to deliver results.

Integrity and security



The CRA recognizes the importance of maintaining Canadians' trust and is committed to protecting the data we receive. The CRA has one of the largest and most sophisticated information technology environments within the Government of Canada. In the face of ever-evolving security threats, the protection of taxpayer information and the security of the Agency's electronic services are always paramount.

The CRA's Agency Security Plan outlines the way we will continue to enhance our protection of taxpayer data from inappropriate access and from increasingly complex security and cyber threats. Several multi-year projects are underway to continue to evolve the protection of the Agency's data, technology, and physical assets. For example, the Agency will continue to advance its Application Sustainability Program to make sure its systems remain stable and to protect the integrity of the tax base and the systems delivering benefit services.

Canadians expect CRA employees will perform their duties with the utmost integrity. The CRA's computer systems are designed to protect personal information. The Agency has in place, and is continually evolving and developing, tools and methodologies to prevent, detect, and mitigate unauthorized access and information misuse. To this end, the CRA will continue to enhance its audit trail monitoring process to track, identify, and quickly verify that taxpayer information is accessed by employees only as necessary.

Our integrity is also evident in the extent to which Canadians view the CRA as open and transparent. By making data available to other government agencies and departments, academics, and the public while protecting taxpayer information, we inform public debate and public policy. Where permitted by law, the CRA proactively makes information, such as a selection of its manuals, public. The Agency also participates in the Access to Information and Privacy (ATIP) Online Request Portal to provide Canadians with timely access to their personal information held by government.

Planning highlights

The CRA will:

- centralize and standardize the provisioning and tracking of end-user and privileged-user accounts with the completion of Phase 4 of the Identity and Access Management project in June 2017
- improve proactive analysis of user actions on CRA systems in 2018
- complete the Data Security Initiative in 2019
- develop new capabilities in 2017, including the development of fraud risk test case scenarios, to proactively detect internal fraud and information misuse
- participate in consultations aimed at proposing legislative changes to the Access to Information Act

Expected results

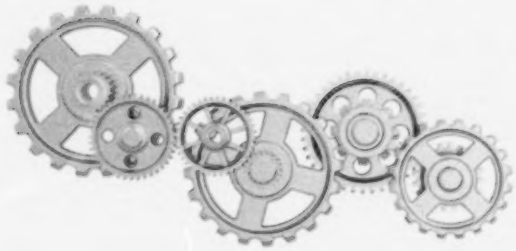
- Stronger technological controls and processes related to identity and access management will improve assurance employees can access only the information they need to do their jobs
- Improved audit trails will provide greater assurance taxpayer information is accessed only as necessary
- Better protection of the Agency's data, technology, and physical assets keeps pace with emerging threats
- Identifying security weaknesses before they can be exploited protects information, data, and technology assets
- Informed enhancements to Canadians' access to information balances openness, transparency, and appropriate protection of sensitive information

Innovation

Tax administrations around the world are challenged to keep pace with technological changes, emerging threats, and rapid shifts in economic activity. The CRA fosters innovation to ensure it continuously improves services for Canadians and protects Canada's revenue base. From our information technology infrastructure, to our use of business intelligence, to how we manage our resources, we are committed to turning good ideas into successful solutions.

In fostering a culture of innovation at the Agency, employees are encouraged to offer new ideas, to take risks and experiment. It is recognized not all new ideas and approaches to the ways in which we deliver our programs and services will be successful, but without taking risks, the CRA is unlikely to be able to adapt to social and technological changes as they occur and will then likely fall short in being able to respond adequately to the needs and expectations of Canadians. Intelligent risk taking involves having a process in place to clearly identify the problems or issues to be resolved, the outcomes desired, which takes stock of lessons learned from past successes and failures, and evaluates and reports on the results of any new ideas and processes implemented.

The CRA undertakes complex research, trend analysis, and compliance risk analysis. To continue doing this, the Agency will renew its business intelligence environment by 2020. Similarly, by 2018, we will have the foundation in place to re-engineer the secure online portals My Account, My Business Account, and Represent a Client. We will ensure the portals are fast, secure, and easy to use for taxpayers and their representatives, while allowing capacity for future program growth and advances in technology.



How we work is also changing, enabled largely by technology, and driven by the need for collaboration and innovation. The workplace of the future must be flexible to allow employees to collaborate more efficiently, and to work differently, choosing the environment in which they can be most productive, based on the actual tasks they have to do at any given moment. The traditional workplace design of providing a dedicated, one-size-fits-all workstation is obsolete. Increasingly workstations sit idle, while meeting and collaborative spaces are at a premium. In 2017, the CRA will pilot a more efficient activity-based workplace design with unassigned workspaces. This will give employees the flexibility to choose where, how, and with whom they work, which will, in turn, increase employee satisfaction, collaboration and innovation, and save space.

Innovation is ensuring the CRA's IT infrastructure remains robust, secure, and adaptable. Through incorporating efficient, modern technologies and processes, the CRA is in the process of reengineering its T1, benefits, and various business systems, including the business number (BN) system, providing these systems with flexible and resilient foundations and enabling future program growth.

Planning highlights

The CRA will:

- renew the business intelligence computing platform, tools, and processes by 2020
- re-engineer the T1, benefits, and various business systems in 2019
- pilot an activity-based work environment in order to provide an increased number and variety of reservable, collaborative, and individual workspaces best-suited to employees' immediate tasks

Expected results

- A renewed business intelligence environment will ensure the CRA has the ability to do advanced research, trend analysis, and compliance-risk analysis
- Redesign and renewal of our core systems will enable the CRA to quickly detect and correct errors, validate data, and direct enforcement resources to the highest-risk accounts
- Creating innovative workspaces will help to foster innovation through collaboration, increase productivity and employee satisfaction, and achieve cost savings through space savings by reducing daily vacancies associated with traditional dedicated workstations

People

The more than 40,000 individuals employed by the CRA comprise a diverse, experienced, and highly qualified workforce who administer Canada's tax and benefit programs with proficiency and integrity. The Agency continues to develop and implement strategies to sustain a healthy, productive, and high-performing workforce in order to deliver on Government of Canada priorities, meet current and future business needs, and strive at providing the best possible service to all Canadians.

Leadership development, recruiting for specialized skills, and enhancing the workplace environment are three key priorities for the Agency over the next three years. Regarding the first priority, focusing on talent management and building the Agency's leadership capacity will be essential to maintaining the Agency's success now and in the future. Meanwhile, the Agency's workforce strategies are designed to focus on identifying areas with existing or emerging workforce gaps, and targeting recruitment efforts towards specialized professionals the CRA will need in the years ahead, such as auditors and data analysts. The Agency also recognizes talent thrives in a healthy environment and recognizes the importance and value of workplace well-being to a high-performing workforce. Accordingly, the CRA is implementing a comprehensive Respectful Workplace and Well-being Strategy, which will foster respectfulness, health, and employee empowerment.

Planning highlights

The CRA will:

> modernize our online presence and expand our use of social media for recruitment purposes in 2017

> conduct targeted national recruitment campaigns in 2018 and 2019, working in partnership with public and private stakeholders

> implement the three-year Respectful Workplace and Well-being Strategy by 2019

> launch a pilot of a national succession planning approach for CRA leadership development in 2018

Expected results

> Targeted recruitment efforts ensure there are no gaps in our current and potential future workforce and the Agency's specialized business requirements are met

> CRA employees have the technical knowledge and skills to keep pace with evolving business methods and to lead the Agency in the future

> The work environment at the CRA shows respect for employees and supports their well-being

Internal Services
Budgetary financial (in dollars)
Human resources (full-time equivalents)

Planned 2017-18[1]

934,818,007

Planned 2018-19[1]

932,636,383

Planned 2019-20[1]

923,222,717

Main Estimates 2017-18

934,818,007

Planned FTEs 2017-18[2]

7,665

Planned FTEs 2018-19[2]

7,444

Planned FTEs 2019-20[2]

7,329

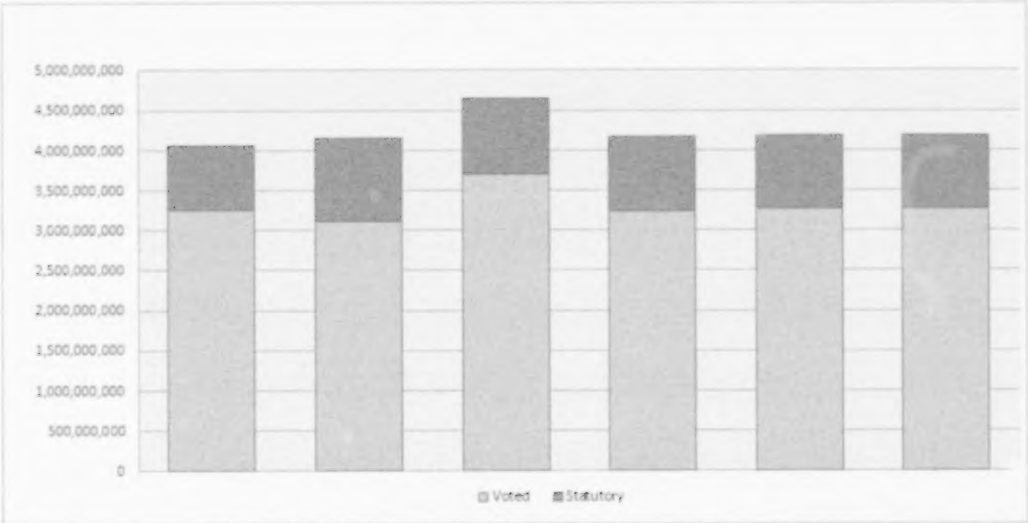
[1] Planned spending refers to those amounts for which a Treasury Board submission approval has been received no later than February 1, 2017. This cut-off date differs from the Main Estimates process. In any given year planned spending may include amounts incremental to planned expenditure levels presented in the Main Estimates, however, this year it does not.

[2] Planned FTEs (full-time equivalents) represents the hours worked by one employee on a full-time basis. Since the CRA employs persons on both a full-time and part-time basis, the number of persons employed by the Agency is not equal to the number of FTEs utilized; the number of actual persons employed will always be higher.

Spending and human resources

Planned spending

CRA spending trend



	2014-15	2015-16	**2016-17**	2017-18	2018-19	2019-20
	Actuals		**Forecast Spending**	Planned Spending		
Statutory	817,112,935	1,034,149,642	**943,015,613**	930,152,344	918,896,981	917,376,246
Voted	3,243,721,055	3,112,837,652	**3,699,152,652**	3,232,747,230	3,263,405,518	3,259,978,243
Total	4,060,833,990	4,146,987,294	**4,642,168,265**	4,162,899,574	4,182,302,499	4,177,354,489

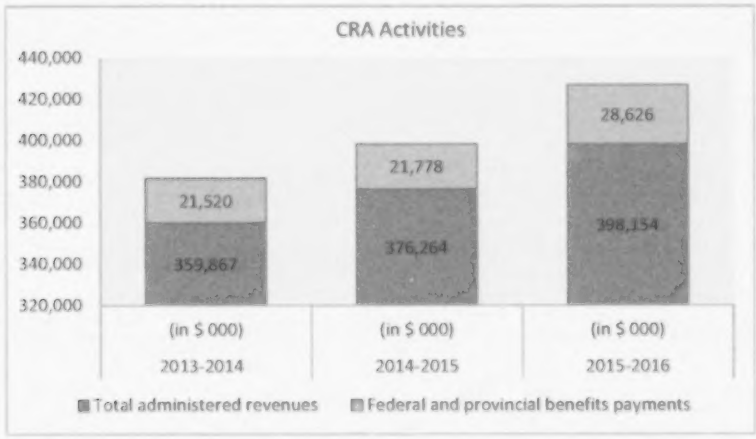
Planned spending refers to amounts in Main Estimates, as well as any other additional funding for inclusion in the Agency's reference levels, approved by Treasury Board no later than February 1, 2017. In fiscal year 2017-2018, Planned Spending is identical to expenditure levels presented in the Main Estimates.

The planned spending trend figure shows all parliamentary appropriations (Main Estimates and Supplementary Estimates) and revenue sources provided to the CRA for: policy and operational initiatives arising from various federal budgets and economic statements, transfers from Public Services and Procurement Canada for accommodations and real property services, disbursements under the Softwood Lumber Agreement, responsibilities related to the harmonization of sales tax, the children's special allowance payments, as well as the implementation of initiatives to improve efficiency.

Total spending for fiscal years 2014-2015 to 2016-2017 includes technical adjustments such as the CRA's carry-forward from the previous year and funding for maternity and severance benefits.

Over the period 2014-2015 to 2019-2020, the CRA's appropriations show an increase primarily as a result of funding received to implement and administer various measures announced in the federal budgets, transfers from Public Services and Procurement Canada for accommodation and real property services, wage settlements, as well as increases in the CRA's Statutory Authorities for children's special allowance payments. The 2016-2017 fiscal year also reflects a significant increase as a result of retroactive payments associated with collective bargaining increases for employees represented by the Public Service Alliance of Canada (PSAC) bargaining unit, as well amounts for other bargaining units that have been set aside in anticipation of wage settlements for the period under the operating budget freeze.

These increases have been partially offset by reductions in funding for the upgrade of the individual income tax processing system and the administration of the Softwood Lumber Agreement, as well as other miscellaneous items such as decreases in Government advertising programs, the transfer of CRA training programs to the Canada School of Public Service, and changes in employee benefit plan rates.



As demonstrated in the CRA activities figure, CRA's work volume, as measured based on total administered revenues and benefit payments processed, has increased.

Budgetary planning summary for Core Responsibilities and Internal Services (dollars)

	2014-15 Expenditures	2015-16 Expenditures	2016-17 Forecast spending	2017-18 Main Estimates	2017-18 Planned spending	2018-19 Planned spending	2019-20 Planned spending
Tax	2,766,098,780	2,778,029,782	3,119,408,919	2,737,078,407	**2,737,078,407**	2,748,402,606	2,755,219,080
Benefits	351,409,527	449,400,252	455,833,373	487,819,400	**487,819,400**	498,060,088	495,711,914
Taxpayers' Ombudsman[1]	2,614,097	2,047,159	3,525,965	3,183,760	**3,183,760**	3,203,422	3,200,778
Subtotal	**3,120,122,404**	**3,229,477,193**	**3,578,768,257**	**3,228,081,567**	**3,228,081,567**	**3,249,666,116**	**3,254,131,772**
Internal services	940,711,586	917,510,101	1,063,400,008	934,818,007	**934,818,007**	932,636,383	923,222,717
Total	**4,060,833,990**	**4,146,987,294**	**4,642,168,265**	**4,162,899,574**	**4,162,899,574**	**4,182,302,499**	**4,177,354,489**

[1] Since the Taxpayers' Ombudsman operates at arm's-length from the CRA, this Departmental Plan does not reflect the activities of that office.

Over the planning period (from $4.163 billion in 2017-2018 to $4.177 billion in 2019-2020), the CRA's appropriations show an increase primarily as a result of funding received to implement and administer various measures announced in the federal budgets, adjustments for accommodation and real property services, as well as increases in the CRA's statutory authorities for children's special allowance payments. These increases have been partially offset by decreases in spending of revenues received through the conduct of the CRA's operations for initiatives administered on behalf of the Canada Border Services Agency and the Province of Ontario as well as reductions in funding for the upgrade of the individual income tax processing system.

Forecasted spending in the 2016-2017 fiscal year includes a significant increase as a result of new funding for measures announced in the 2016 Federal Budget, retroactive payments associated with collective bargaining increases for employees represented by the Public Service Alliance of Canada (PSAC) bargaining unit, as well as amounts for other bargaining units that have been set aside in anticipation of wage settlements for the period under the operating budget freeze.

Planned human resources

Human resources planning summary for Core Responsibilities and Internal Services (full-time equivalents[1])

	2014-15 Actual FTEs	2015-16 Actual FTEs	2016-17 Forecast FTEs	2017-18 Planned FTEs	2018-19 Planned FTEs	2019-20 Planned FTEs
Tax	29,520	28,981	29,596	30,104	29,934	30,109
Benefits	1,253	1,287	1,588	1,592	1,586	1,550
Taxpayers' Ombudsman	23	21	32	31	31	31
Subtotal	**30,796**	**30,289**	**31,216**	**31,727**	**31,551**	**31,690**
Internal services	7,765	7,688	8,173	7,665	7,444	7,329
Total	**38,561**	**37,977**	**39,389**	**39,392**	**38,995**	**39,019**

The reduction in FTEs over the planning period (from 39,392 in 2017-2018 to 39,019 in 2019-2020) is primarily attributable to decreases in spending of revenues received through the conduct of the CRA's operations for initiatives administered on behalf of the Canada Border Services Agency and the Province of Ontario as well as reductions in FTEs associated with planned investment projects. These decreases have been partially offset by an increase in FTEs associated with various measures announced in the federal budgets.

The increase in forecasted FTEs in 2016-2017 over 2015-2016 is primarily attributable to the implementation and administration of various measures announced in the 2016 Federal Budget.

1. Planned FTEs (full-time equivalent) represents the hours worked by one employee on a full-time basis. Since the CRA employs persons on both a full-time and part-time basis, the number of persons employed by the Agency is not equal to the number of FTEs utilized; the number of actual persons employed will always be higher.

Estimates by vote

For information on the CRA's organizational appropriations, consult the 2017-18 Main Estimates[vi].

Future-Oriented Condensed Statement of Operations

The Future Oriented Condensed Statement of Operations provides a general overview of the CRA's operations. The forecast of financial information on expenses and revenues is prepared on an accrual accounting basis to strengthen accountability and to improve transparency and financial management.

Because the Future Oriented Condensed Statement of Operations is prepared on an accrual accounting basis, and the forecast and planned spending amounts presented in other sections of the Departmental Plan are prepared on an expenditure basis, amounts may differ.

A more detailed Future Oriented Statement of Operations and associated notes, including a reconciliation of the net cost of operations to the requested authorities, are available on the CRA's website[iii].

Future Oriented Condensed Statement of Operations for the year ended March 31, 2018 (dollars)

	2016-17 Forecast results	2017-18 Planned results	Difference (planned minus forecast)
Total expenses	4,908,444,356	4,810,433,036	(98,011,320)
Total non-tax revenues	536,992,019	508,202,566	(28,789,453)
Net cost of operations before government funding and transfers	4,371,452,337	4,302,230,470	(69,221,867)

Supplementary information

Corporate information

Organizational profile

Appropriate minister: The Honourable Diane Lebouthillier, P.C., M.P.

Institutional head: Bob Hamilton

Ministerial Portfolio: National Revenue

Enabling instrument: Canada Revenue Agency Act[vii]

Year of commencement: 1999

Reporting framework

The CRA's Departmental Results Framework and Program Inventory of record for 2017-18 are shown below:

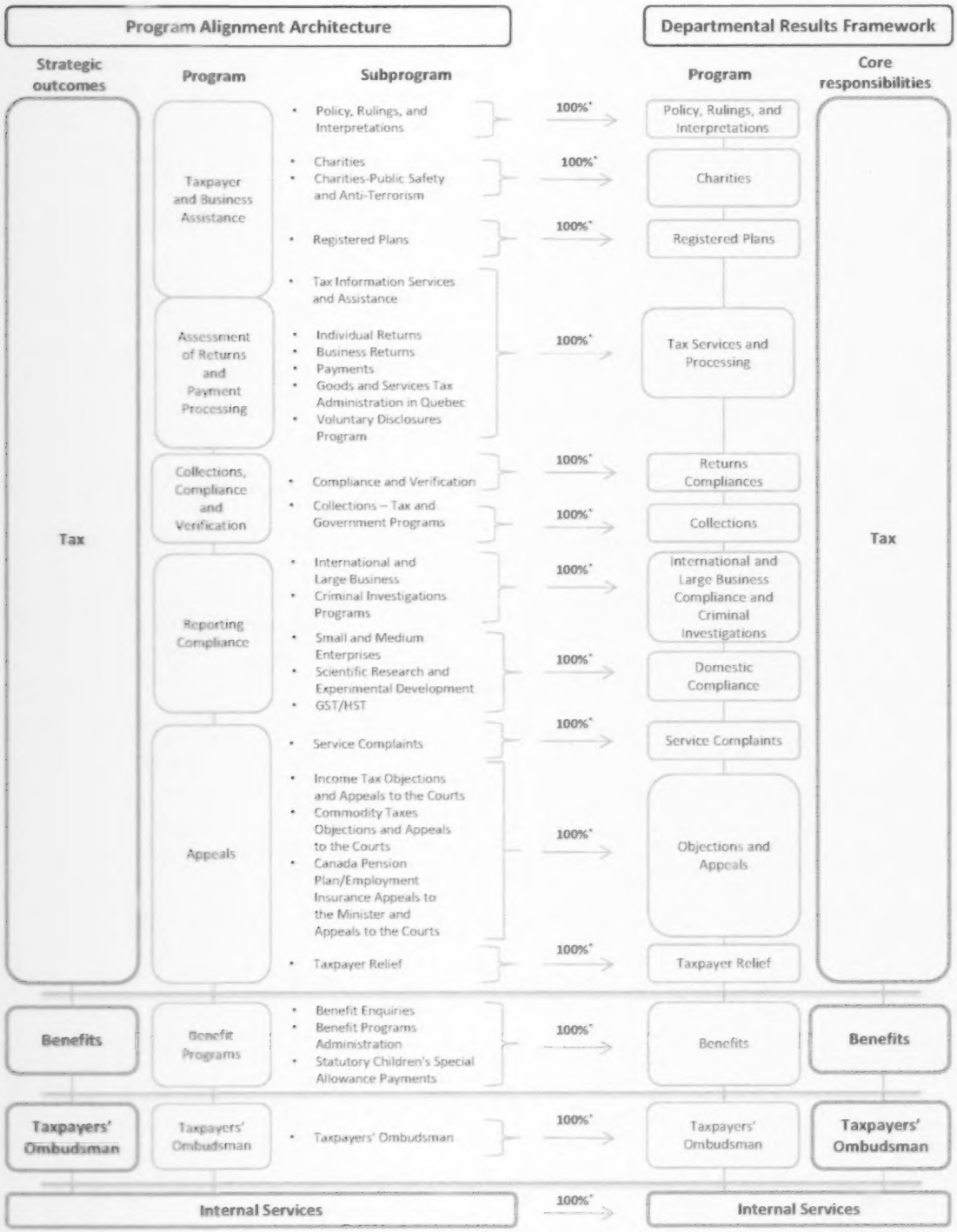
Departmental Results Framework

Core responsibility: Tax	Core responsibility: Benefits	Core responsibility: Taxpayers' Ombudsman	Internal Services
Canadians comply with tax obligations, non-compliance is addressed, and Canadians have access to appropriate mechanisms for resolving disputes	**Canadians receive their rightful benefits in a timely manner**	**Canadians have access to trusted and independent review of service complaints about the CRA**	
Indicators • Percentage of filers who have filed a tax return by their due date • Percentage of known businesses registered for GST/HST • Percentage of external service standards targets that are met or mostly met • Percentage of reported taxes (including instalments) and source deductions that are paid on time • Incremental debt collected (resolved) resulting from Budget 2016 investments • Public Perception Index: score compared to baseline • Complete an online consultation open to charities and the public • Incremental revenue resulting from Budget 2016 investments • Percentage of services available online • Number of Community Volunteer Income Tax Program returns completed • Percentage of total volume of improved correspondence (i.e. changes to structure, design, language and format)	**Indicator** • Percentage of Canada Child Benefit (CCB) recipients who provide complete and accurate information in order to receive the proper entitlement • Percentage of benefit payments issued to benefit recipients on time • Percentage of respondents satisfied with benefit application processing time • Percentage of taxpayers (benefit recipients) who filed a return as a result of targeted CRA intervention	**Indicator** • Percentage of recommendations made by the Ombudsman to the Minister in systemic examination reports that will be acted upon by the CRA • Percentage of taxpayer complaints acknowledged within two business days • Percentage of individual complaint examinations resulting in the CRA taking action	

Program Inventory

Program • Tax Services and Processing • Returns compliance • Collections • Domestic compliance • International and Large Business Compliance and Criminal Investigations • Objections and Appeals • Service Complaints • Taxpayer Relief • Policy, Rulings, and Interpretations • Registered Plans • Charities	**Program** • Benefits	**Program** • Taxpayers' Ombudsman	

Concordance between Departmental Results Framework and Program Inventory, 2017-18, and Strategic Outcomes and Program Alignment Architecture, 2016-17



*Represents the percentage of program alignment architecture program (dollars) corresponding to new program in the program inventory.

Supporting information on lower-level programs

Supporting information on planned expenditures, human resources, and results related to the CRA's Program Inventory is available in the TBS InfoBase[v].

Supplementary information tables

The following supplementary information tables are available on the CRA's website[iii].

- Details on transfer payment programs of $5 million or more
- Planned spending and full-time equivalents
- Services received without charge
- Sources of respendable non-tax revenue and non-respendable non-tax revenue
- Summary of capital spending by program
- Upcoming evaluations over the next three fiscal years
- Upcoming internal audits for the coming fiscal year

Federal tax expenditures

The tax system can be used to achieve public policy objectives through the application of special measures such as low tax rates, exemptions, deductions, deferrals and credits. The Department of Finance Canada publishes cost estimates and projections for these measures each year in the Report on Federal Tax Expenditures[viii]. This report also provides detailed background information on tax expenditures, including descriptions, objectives, historical information and references to related federal spending programs. The tax measures presented in this report are the responsibility of the Minister of Finance.

Organizational contact information

Diane Lebouthillier
Minister of National Revenue

Sherra Profit
Taxpayers' Ombudsman

Richard (Rick) Thorpe
Chair, Board of Management

Bob Hamilton
Commissioner of the Canada Revenue Agency

Mireille Laroche Assistant Commissioner Appeals	**Ainslea Cardinal** Assistant Commissioner Atlantic	**Brian Philbin** Assistant Commissioner and Chief Audit Executive Audit, Evaluation, and Risk
Frank Vermaeten Assistant Commissioner Assessment, Benefit and Service	**Vince Pranjivan** Assistant Commissioner Ontario	**Roch Huppé** Assistant Commissioner and Chief Financial Officer Finance and Administration
Michael Snaauw Assistant Commissioner Collections and Verification	**Maureen Phelan** Assistant Commissioner Pacific	**Dan Couture** Assistant Commissioner Human Resources
Ted Gallivan Assistant Commissioner International, Large Business and Investigations	**Cheryl Bartell** Assistant Commissioner Prairie	**Annette Butikofer** Assistant Commissioner and Chief Information Officer Information Technology
Anne-Marie Lévesque Assistant Commissioner Domestic Compliance Programs	**Louis Beauséjour** Assistant Commissioner Quebec	**Lynn Lovett** Assistant Deputy Minister Tax Law Services Portfolio Legal Services
		Geoff Trueman Assistant Commissioner Legislative Policy and Regulatory Affairs
		Maxime Guénette Assistant Commissioner and Chief Privacy Officer Public Affairs
		Yves Giroux Assistant Commissioner Strategy and Integration

As of January 2017

Head office

Connaught building
555 MacKenzie Avenue, 7th floor
Ottawa ON K1A 0L5
Telephone: 613-957-3688
Fax: 613-952-1547
Website: **www.cra-arc.gc.ca**[iii]

Taxpayer Bill of Rights

The CRA is proud to mark the 10th anniversary of the Taxpayer Bill of Rights, which confirms the CRA will serve taxpayers with a high degree of accuracy, professionalism, courteousness, and fairness. The Taxpayer Bill of Rights was developed to uphold the CRA's high service standards and to show accountability.

1. You have the right to receive entitlements and to pay no more and no less than what is required by law.
2. You have the right to service in both official languages.
3. You have the right to privacy and confidentiality.
4. You have the right to a formal review and a subsequent appeal.
5. You have the right to be treated professionally, courteously, and fairly.
6. You have the right to complete, accurate, clear, and timely information.
7. You have the right, unless otherwise provided by law, not to pay income tax amounts in dispute before you have had an impartial review.
8. You have the right to have the law applied consistently.
9. You have the right to lodge a service complaint and to be provided with an explanation of our findings.
10. You have the right to have the costs of compliance taken into account when administering tax legislation.
11. You have the right to expect us to be accountable.
12. You have the right to relief from penalties and interest under tax legislation because of extraordinary circumstances.
13. You have the right to expect us to publish our service standards and report annually.
14. You have the right to expect us to warn you about questionable tax schemes in a timely manner.
15. You have the right to be represented by a person of your choice.
16. You have the right to lodge a service complaint and request a formal review without fear of reprisal.

Commitment to Small Business

1. The Canada Revenue Agency (CRA) is committed to administering the tax system in a way that minimizes the costs of compliance for small businesses.
2. The CRA is committed to working with all governments to streamline service, minimize cost, and reduce the compliance burden.
3. The CRA is committed to providing service offerings that meet the needs of small businesses.
4. The CRA is committed to conducting outreach activities that help small businesses comply with the legislation we administer.
5. The CRA is committed to explaining how we conduct our business with small businesses.

Appendix A: Service standards

The CRA continues to examine opportunities to update and streamline service standards to keep pace with changes, client preferences, technology and business processes, and evolving services. The CRA considers what would be most meaningful to Canadians when updating service standards.

New this year, the CRA has simplified the presentation of its service standards by grouping them into six categories:

- Tax returns, benefits, and claims
- Pension, deferred, and education plans
- Charities
- Rulings and interpretations
- Issue resolution
- Enquiries and account updates

New service standards

To ensure relevance and client-focus, and to recognize the growing use of electronic services, the CRA is introducing several new service standards:

- a standard for My Business Account online enquiries
- two new Debt Management Call Centre telephone enquiries standards
- new standards focussing on issue resolution rather than acknowledgement

Revising service standards

The CRA is also revising several service standards to:

- focus on output instead of process
- communicate timelines more consistently
- adopt a common target of 95% for returns processing and account adjustments
- merge similar services into one, with differing standards for electronic and paper, if applicable
- streamline and simplify by combining seven enquiries services (general, business, GST/HST credit, e-Services, Charities, GST/HST rulings and interpretations, and Canada child benefit) into one service standard: Telephone enquiries service

Retiring service standards

The CRA will retire several service standards to streamline the overall portfolio of service standards:

- service standards for services with relatively low demand
- timeliness for benefit applications and telephone enquiries
- written enquiries about benefits as a result of the telephone enquiries focus
- acknowledgement of issues will be replaced with more meaningful standards for issue resolution

The full suite of CRA service standards for 2017-2018 is listed below

Tax returns, benefits, and claims		Target
Individual income tax returns (T1)	Our goal is to issue your notice of assessment within two weeks of receiving your digital individual income tax return, and within eight weeks of receiving your paper individual income tax return.[1]	95%
Corporation income tax returns (T2)	Our goal is to issue your notice of assessment within six weeks of receiving your digital corporation income tax return, and within sixteen weeks of receiving your paper corporation income tax return.	95%
GST/HST returns	Our goal is to issue your notice of assessment, if applicable, within four weeks of receiving your digital GST/HST return, and within eight weeks of receiving your paper GST/HST return.[2]	95%
Trust returns (T3)	Our goal is to issue your notice of assessment within seventeen weeks of receiving your trust return.	95%
T1 adjustment requests	Our goal is to issue your notice of reassessment within an average of two weeks of receiving your digital request to change your individual income tax return, and within an average of eight weeks of receiving your paper request to change your individual income tax return.	95%
Benefit applications	Our goal is to issue your notice and payment, if applicable, within eight weeks of receiving your digital benefit application, and within eleven weeks of receiving your paper benefit application.	95%
Claims – SR&ED tax incentives – claimant-requested adjustments to non-refundable claims	Our goal is to process claims for tax incentives from businesses that conduct scientific research and experimental development (SR&ED) in Canada within 365 calendar days from receipt of a complete claim for non-refundable claims related to adjustments requested to previously filed income tax returns.	90%
Claims – SR&ED tax incentives – claimant-requested adjustments to refundable claims	Our goal is to process claims for tax incentives from businesses that conduct scientific research and experimental development (SR&ED) in Canada within 240 calendar days from receipt of a complete claim for refundable claims related to adjustments requested to previously filed income tax returns.	90%

Tax returns, benefits, and claims		Target
Claims – SR&ED tax incentives – non-refundable claims	Our goal is to process claims for tax incentives from businesses that conduct scientific research and experimental development (SR&ED) in Canada within 365 calendar days from receipt of a complete claim for non-refundable claims.	90%
Claims – SR&ED tax incentives – refundable claims	Our goal is to process claims for tax incentives from businesses that conduct scientific research and experimental development (SR&ED) in Canada within 120 calendar days from receipt of a complete claim for refundable claims.	90%
Claims – video and film tax credits – refundable claims – audited	Our goal is to review T2 corporation income tax returns that include claims for the Canadian Film or Video Production Tax Credit, the Film or Video Production Services Tax Credit, the B.C. Film and Television Tax credit, the B.C. Production Services Tax Credit, the Manitoba Film and Video Production Tax Credit, and the Ontario Film and Television Tax Credit, and the Ontario Production Services Tax Credit within 120 calendar days from the date of receipt where audit action is undertaken.	90%
Claims – video and film tax credits – refundable claims - unaudited	Our goal is to review T2 corporation income tax returns that include claims for the Canadian Film or Video Production Tax Credit, the Film or Video Production Services Tax Credit, the B.C. Film and Television Tax credit, the B.C. Production Services Tax Credit, the Manitoba Film and Video Production Tax Credit, and the Ontario Film and Television Tax Credit, and the Ontario Production Services Tax Credit within 60 calendar days from the date of receipt where no audit action is undertaken.	90%

[1] Timeline is only valid for returns received on or before filing due dates.

[2] You will not receive a notice of assessment if there is no balance or credit owing.

Pension, deferred, and education plans		Target
Deferred income plans – response to written enquiries	Our goal is to respond to a written enquiry within 60 calendar days.	80%
Actuarial valuation reports	Our goal is to provide a decision on the recommended employer contributions to a registered pension plan, within 270 calendar days of receipt of the actuarial valuation report.	80%
Applications to register pension plans and deferred profit sharing plans	Our goal is to provide a decision within 180 calendar days of receipt of an application to register a pension plan or a deferred profit-sharing plan.	85%
Education savings plans (applications to register, amend, or terminate)	Our goal is to provide a decision within 60 calendar days to a request to approve, amend, or terminate a specimen for an education savings plan.	85%
Retirement income funds (applications to register, amend, or terminate)	Our goal is to provide a decision within 60 calendar days to a request to approve, amend, or terminate a specimen for a retirement income fund.	80%
Retirement savings plans (applications to register, amend, or terminate)	Our goal is to provide a decision within 60 calendar days to a request to approve, amend, or terminate a specimen for a retirement savings plan.	80%

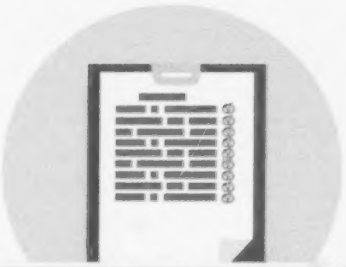
Charities		Target
Charities – written enquiries	Our goal is to review and respond to a routine[1] written enquiry within 45 calendar days, and review and respond to a complex[2] written enquiry within 120 calendar days.	80%
Charities – responding to applications	Our goal is to respond to a complete simple[3] application for charitable registration within two months, and respond to a complete regular[4] application for charitable registration within six months.	80%

1 An enquiry that is generally recurring and that needs little research and analysis.

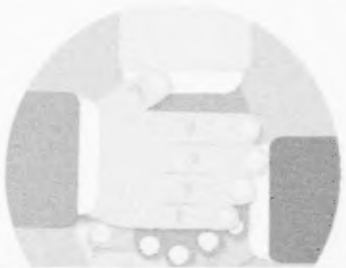
2 An enquiry that is specific to a given charity or a donor and needs research or analysis, as well as consultation with internal stakeholders.

3 An application that has only charitable purposes and activities and for which no more information is needed.

4 An application for which we need more information before we can determine if the organization qualifies for charitable registration.



Rulings and interpretations		Target
GST/HST rulings and interpretations – written enquiries	Our goal is to respond to written requests for a GST/HST ruling or interpretation within 45 business days of CRA receipt of the request and all the relevant facts and supporting documentation. This excludes highly technical and precedent and/or policy-setting rulings and interpretations.	80%
Advance income tax rulings	Our goal is to issue an advance income tax ruling within 90 business days of receipt of all essential information from the client.	85%
Technical interpretations	Our goal is to issue a technical interpretation within 90 business days of receipt of all essential information from the client.	85%



Issue resolution		Target
Taxpayer Relief Program	Our goal is to issue a decision on a taxpayer relief request to cancel or waive penalties and interest within 180 calendar days.	85%
Income Tax and Commodity Tax Objections[1]	Our goal is to resolve a low-complexity tax objection within 180 calendar days.	80%
Service Complaints – 30 day resolution	Our goal is to resolve the complaint within 30 business days.	80%

[1] Service standards are being reviewed to address the recommendations of the Auditor General.

Enquiries and account updates		Target
Telephone enquiries service[1]	Our goal is to respond to your telephone call within two minutes of your choosing to speak to an agent.	80%
My Business Account enquiries	Our goal is to respond to your enquiries submitted through the My Business Account within two weeks.	95%
Debt Management Call Centre – tax programs telephone service level	Our goal is to respond to a call in the agent queue within one minute.	80%
Debt Management Call Centre – government programs telephone service level	Our goal is to respond to a call in the agent queue within two minutes.	80%
Authorize or cancel a representative	Our goal is to update your account information within three business days of receiving your digital request to authorize or cancel a representative, and within four weeks of receiving your paper request[2] to authorize or cancel a representative.	95%

1 This service standard is made up of the following telephone enquiries service standards: general enquiries, e-Services Helpdesk enquiries, business enquiries, Canada child benefit enquiries, charities enquiries, GST/HST rulings and interpretations enquiries, and GST/HST credit enquiries.

2 A paper request includes one that is sent online using our "Submit Documents" service.

Appendix B: Definitions

Appropriation: Any authority of Parliament to pay money out of the Consolidated Revenue Fund.

Budgetary expenditures: Operating and capital expenditures; transfer payments to other levels of government, organizations or individuals; and payments to Crown corporations.

Core responsibility: An enduring function or role of a department. The intentions of the department with respect to a core responsibility are reflected in one or more related departmental results that the department seeks to contribute to or influence.

Departmental plan: Provides information on the plans and expected performance of appropriated departments over three years. Departmental plans are tabled in Parliament each spring.

Departmental result: A departmental result represents the change or changes that the department seeks to influence. A departmental result is often outside department's immediate control, but it should be influenced by program-level outcomes.

Departmental result indicator: A factor or variable that provides a valid and reliable means to measure or describe progress on a departmental result.

Departmental results framework: Consists of the department's core responsibilities, departmental results and departmental result indicators.

Departmental results report: Provides information on the actual accomplishments against the plans, priorities and expected results set out in the corresponding departmental plan.

Full-time equivalent: A measure of the extent to which an employee represents a full person-year charge against a departmental budget. Full-time equivalents are calculated as a ratio of assigned hours of work to scheduled hours of work. Scheduled hours of work are set out in collective agreements.

Government-wide priorities: For the purpose of the 2017-18 Departmental Plan, government-wide priorities refer to the high-level themes outlining the Government's agenda in the 2015 Speech from the Throne, namely, Growth for the Middle Class, Open and Transparent Government, A Clean Environment and a Strong Economy, Diversity is Canada's Strength, and Security and Opportunity.

Horizontal initiatives: A horizontal initiative is one in which two or more federal organizations, through an approved funding agreement, work to achieve clearly defined shared outcomes, and that has been designated (e.g., by Cabinet or a central agency) as a horizontal initiative for managing and reporting purposes.

Management, resources and results structure: A framework that consists of an organization's inventory of programs, resources, results, performance indicators and governance information. Programs and results are depicted in their hierarchical relationship to each other and to the strategic outcomes they contribute to. The management, resources and results structure is developed from the program alignment architecture.

Non-budgetary expenditures: Net outlays and receipts related to loans, investments and advances that change the composition of the financial assets of the Government of Canada.

Performance: What an organization did with its resources to achieve its results, how well those results compare to what the organization intended to achieve, and how well lessons learned have been identified.

Performance indicator: A qualitative or quantitative means of measuring an output or outcome, with the intention of finding out how well an organization, program, policy or initiative respecting expected results.

Performance reporting: The process of communicating evidence based performance information. Performance reporting supports decision making, accountability and transparency.

Planned spending: For departmental plans and departmental results reports, planned spending refers to amounts that receive Treasury Board approval by February 1. Therefore, planned spending may include amounts incremental to planned expenditures presented in the Main Estimates.

A department is expected to be aware of the authorities that it has sought and received. The determination of planned spending is a departmental responsibility and departments must be able to defend the expenditure and accrual numbers in their departmental plans and departmental results reports.

Plans: The way strategic choices are presented, which gives information on how an organization intends to achieve its priorities and associated results. Generally, a plan will explain the logic behind the strategies chosen and focus on actions that lead to the expected result.

Priorities: Plans or projects that an organization has chosen to focus and report on during the planning period. Priorities represent the things that are most important or what must be done first to achieve the desired strategic outcomes.

Program: A group of related resource inputs and activities that are managed to meet specific needs and achieve intended results and that are treated as a budgetary unit.

Program alignment architecture: A structured inventory of an organization's programs that shows the hierarchical relationship between programs and the strategic outcomes to which they contribute to.

Results: An external consequence attributed, in part, to an organization, policy, program or initiative. Results are not within the control of a single organization, policy, program or initiative; instead they are within the area of the organization's influence.

Statutory expenditures: Expenditures that Parliament has approved through legislation other than appropriation acts. The legislation sets out the purpose of the expenditures and the terms and conditions for making them.

Strategic outcome: A long-term and enduring benefit to Canadians that is linked to the organization's mandate, vision and core functions.

Sunset program: A time-limited program that does not have an ongoing funding and policy authority. When the program is set to expire, a decision must be made whether to continue the program. In the case of a renewal, the decision specifies the scope, funding level and duration.

Target: A measurable performance or success level that an organization, program or initiative plans to achieve within a specified time period. Targets can be either quantitative or qualitative.

Voted expenditures: Expenditures that Parliament approves annually through an Appropriation Act. The wording of the vote sets the conditions that these expenditures may be made under.

Endnotes

i. Copyright information, http://www.cra-arc.gc.ca/cpyrght-eng.html

ii. Prime Minister of Canada's website, http://pm.gc.ca/eng/mandate-letters

iii. Canada Revenue Agency, http://www.cra-arc.gc.ca/

iv. Canada.ca, https://www.canada.ca/home.html

v. TBS InfoBase, https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start

vi. Main Estimates, http://www.tbs-sct.gc.ca/hgw-cgf/finances/pgs-pdg/gepme-pdgbpd/index-eng.asp

vii. Canada Revenue Agency Act, http://laws-lois.justice.gc.ca/eng/acts/c-10.11/

viii. Report on Federal Tax Expenditures, http://www.fin.gc.ca/purl/taxexp-eng.asp